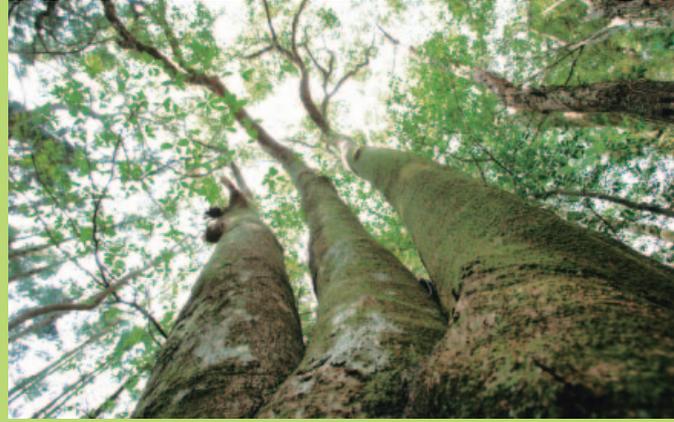


Mitsui & Co., Ltd.

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# CSR Report 2009



2009

# CSR Report 2009

## What We Aim to Communicate in This Report—Editorial Policy

Since announcing our Mission, Vision and Values (MVV) as our management philosophy and the core axis of our CSR activities, we have been focusing on increasing the awareness of our MVV and ensuring that they are put into practice.

CSR Report 2009 aims to provide readers with a deeper understanding of Mitsui's CSR activities, and, as in CSR Report 2008, we have included a section entitled "CSR at Mitsui & Co." to explain Mitsui's thinking regarding CSR and the future direction of its CSR initiatives. Also, since last year's third-party opinions expressed the view that there was a lack of information on the CSR initiatives of individual business units, we have provided reports on unit activities in the section entitled "CSR Activities by Business Unit".

Moreover, in CSR Report 2009, we have been especially aware of the report as a disclosure document for non-financial information from a CSR perspective, and, to satisfy the needs of stakeholders who require more-specialized information, we have endeavored to provide accurate and complete information to provide an overall picture of Mitsui's CSR management.

Our CSR reports explain Mitsui's thinking about CSR and its related activities, and are important tools for establishing a dialogue and communicating with stakeholders to help to create a better society. Since we want to provide a useful reference for Mitsui's future business activities, we ask that you please take the time to provide your opinions and impressions by kindly returning the attached questionnaire or fill it out on our website. Please also note that we will be posting third-party opinions regarding this report on our website. Therefore, please access these at the following URL: <http://www.mitsui.co.jp/csr/index.html>.



## Company Data

**Name:** MITSUI & CO., LTD.

**Date of Establishment:** July 25, 1947

**Head Office:** 2-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

**Representative:** Masami Iijima, President and Chief Executive Officer

**Common Stock:** ¥339,627 million (as of March 31, 2009)

**Number of Employees:**

5,886 at Mitsui & Co., Ltd.; 39,864 on a consolidated basis (as of March 31, 2009)

**Number of Offices:**

154 offices (as of June 1, 2009)

In Japan: 12 (Head Office: 1, Offices: 6, Branches: 5)

Overseas: 142 (Overseas offices: 44, Overseas trading subsidiaries: 98)

**Main Businesses:**

Mitsui, as a *sogo shosha* (or general trading company), draws on the information-gathering and other capabilities of its network of offices—which literally spans the globe—to conduct transactions in a diverse range of products and services, provide logistics and financial services to support these transactions, and use its business engineering acumen to organize international projects. Mitsui's trading and other activities are focused especially in iron and steel products, mineral and metal resources, infrastructure projects, motor vehicles, marine and aerospace, chemicals, energy, foods and retail, consumer services, IT, financial services, and transportation logistics.

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**Scope of Coverage:**

Mitsui & Co., Ltd., and major consolidated subsidiaries and associated companies. The scope of coverage for numerical data is provided individually in appended notes.

**Period Covered:**

Mainly the fiscal year from April 1, 2008, to March 31, 2009 (FY2008), with some coverage of the following year.

**Target Audience:**

This report has been prepared for Mitsui's stakeholders, including shareholders and other investors, business partners, customers, local residents, government agencies, NPOs/NGOs, and employees.

**Reference Guidelines:**

GRI\* Sustainability Reporting Guidelines 2006 (G3) Please refer to the Mitsui & Co. website for the GRI Guidelines and Global Compact Content Index. (<http://www.mitsui.co.jp/en/csr/index/index.html>)

\* GRI: Global Reporting Initiative: The Global Reporting Initiative is an organization established in late 1997 primarily by CERES (Coalition for Environmentally Responsible Economies), a U.S. NGO that authored the CERES principles, and the United Nations Environment Programme (UNEP), to formulate international standards for corporate sustainability reporting.

**Published by:**

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Cover photograph: Mitsui's company-owned "Sando forest"



### **Pursuing Yoi-Shigoto Is Especially Important under Challenging Economic Conditions**

The credit contraction, which has accompanied the global financial crisis that erupted last year, began to have a major impact on the real economy beginning in early 2009. In response, the governments and central banks of countries around the world implemented countermeasures that included increased fiscal spending, the relaxation of credit conditions, and infusions of public funds. Although the global economy appears to be in sight of a bottoming out, there are still potentially destabilizing factors, including adverse employment conditions and the uncertainty surrounding the international financial system. Therefore, we must continue to monitor conditions in the global economy carefully. Moreover, social and economic factors are changing day by day and the speed of change is accelerating. These include the trend toward the globalization of economic activities; the growing diversity of values and cultures; the increasingly borderless flow of information; global warming; the increasing competition for energy, minerals, food, water, and other resources; and the problem of poverty in the countries of Africa and other regions.

I believe that it is times of crisis, such as those we are experiencing now, that present us with unique opportunities to review our work. As we share a sense of crisis, each one of us should go back to the basics, and, as we continue to compile a record of Yoi-Shigoto (good quality work), build the foundation for the next phase of long-term growth and overcome the difficulties we are facing as quickly as possible.

### **Mitsui's CSR Is Putting Yoi-Shigoto into Practice**

Since Mitsui is engaged in a diverse range of business operations around the globe, we have expressed the sense of values that we want all employees to share in the expression Yoi-Shigoto and worked to make it widely understood throughout Mitsui. We define Yoi-Shigoto as work that is beneficial to society, that is useful to and creates added value for our customers and partners, and that provides motivation and a sense of satisfaction to all employees. I think that our CSR is to put this Yoi-Shigoto into practice on a daily basis and that it is important for us to share the sense of values that Yoi-Shigoto embodies. No matter what changes we may be facing in the operating environment, we should continue to pursue and compile our record of Yoi-Shigoto because Yoi-Shigoto is our social responsibility, and, at the same time, it will contribute to Mitsui's earnings.

# Commitment

## Raising the Quality of Individuals to Support Yoi-Shigoto

One of the legacies of Mitsui's more-than-130-year history is condensed in the familiar expression "Mitsui is People." It is Mitsui's people who take the initiative in putting Yoi-Shigoto into actual practice at the workplace level. For us to refuse to be content with current accomplishments and work to implement even better Yoi-Shigoto and for us to offer even more value to society, I believe it is essential for us to continue to enhance the quality of individuals.

"Mitsui is people" reflects our strong commitment to human resource development and our ability to produce talented people who can provide a high level of professional services to our wide range of customers throughout the world. To live up to these ideals, we are committed to the enhancement of the quality of individuals through human resource development. This is not simply a matter of acquiring the skills and knowledge required for our jobs. The goal is to achieve balanced improvement of skills and those mental aspects, such as a sense of ethics and a commitment to self-development, that heighten the value of our contributions to our stakeholders.

## Initiatives for Human Resource Portfolio Management and Staff Globalization

Amid today's fast-changing social and economic environment, it is important to respond to change quickly and "evolve" flexibly. In addition to the realignment of our business and investment portfolio that we have carried out thus far, beginning in 2007, we began to take steps to realign our human resource portfolio by making personnel appointments and re-assignments from a company-level perspective that goes beyond the barriers of individual business departments, which sometimes have a sense of sectionalism as regards other departments. We are structuring our three portfolios of businesses, investments, and human resources strategically and flexibly in response to changes in the world around us, with the aim of achieving dynamic development in our core businesses and putting Yoi-Shigoto into practice.

Moreover, in 2008, Mitsui's Head Office and our three regional business units (the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific) came together and formulated a clear policy of actively moving forward the "globalization of human resources." The trend toward economic globalization will, without doubt, continue and grow more pronounced. Amid these trends, for Mitsui to continue to grow, it must engage and nurture a wide range of human resources and promote diversity of personnel. The globalization of human resources will be a major challenge that will take considerable time, but we will move forward unrelentingly and steadily with the necessary initiatives.

## Human Rights, Labor Issues, and Poverty in the Developing Countries

In October 2004, Mitsui proclaimed its support for the Global Compact, which is championed by the United Nations and is a set of principles that private companies agree to accept as guidelines for action, focused especially in the areas of human rights, labor standards, the environment, and anti-corruption. Mitsui is continuing activities to comply with these guidelines and make further improvements. In addition, we are striving to broaden these activities through initiatives with our business partners, and, in December 2007, we formulated our Supply Chain CSR Policy. Also, last year, we sent a letter to all the approximately 20,000 suppliers of Mitsui and its subsidiaries asking for their understanding and cooperation with this policy.

The problem of poverty in Africa and developing countries in other areas is becoming an increasingly important issue on a global scale. In response to a call from Prime Minister Gordon Brown of the United Kingdom in May 2008, Mitsui became a signatory to the proclamation of the United Nations Millennium Development Goals, which sets forth objectives to be met by 2015. Mitsui has for many years contributed to the reduction of poverty through its business activities, which are closely linked to local areas around the world and contribute to regional development. Looking ahead, we are planning to give consideration on business activities and social contribution activities in the sub-Saharan region where poverty remains a significant problem.

## Strive to Contribute to the Creation of a Future where the Aspiration of the People Can be Fulfilled

Sustainable growth of corporations is not possible without the sustainability of the earth and human society. Mitsui has nurtured the spirit of "challenge and creativity" for many years and seeks to confront the issues related to sustainability head on. We are constantly asking ourselves what actions we should take and want to take up the challenge of addressing these issues aggressively. Going forward, we want to respond to the trust and expectations of our stakeholders and make use of our functions and capabilities that can answer the needs of our customers and society as a whole. We want to continue to build on our record of Yoi-Shigoto, and, through our business activities, continue to create value for the world around us.



Masami Iijima  
President and Chief Executive Officer  
Mitsui & Co., Ltd.

## CSR at Mitsui & Co.

# Mitsui & Co.—Together with People and Society

### As a Socially Responsible Company

Society today, because of the progress toward globalization and advances in information technology, is filled with diversity and is undergoing major changes because of its dynamic and fluid nature. Meanwhile, there are many problems to be addressed, including global warming; environmental and resource issues related to food, energy, and water supply; human rights; poverty; child labor; and differences in educational levels.

The sustainable development of such private corporations as Mitsui will be impossible unless we can secure the sustainability of the Earth's societies. Mitsui will continue to work step by step to create a better future by addressing the various issues related to communities, nations, and international society, to which Mitsui belongs as a member, and is aware that making contributions through these activities is its responsibility as a member of the Earth's society.

Mitsui provides value to society through its core businesses as a general trading company. By continuing to upgrade its compliance and internal control systems, which form the basis for its activities, and make contributions to society that supplement its core business activities, Mitsui will work to develop new businesses and new value as it builds human relationships. Thereby, it will contribute directly and indirectly to the development of the world economy, contribute to the development of a sound community, and increase the living standards of all.

### Maintaining Our Founding Values

At Mitsui, the way we develop our operations and carry out our work is still very much based on the core values expressed by Takashi Masuda, the founder of the former Mitsui, and his business philosophy. These values clearly reflect the principles of CSR (corporate social responsibility). Along with the concepts of challenge and innovation, open-mindedness, and nurturing human resources that have been handed down to us today and put into practice, these values and concepts remain completely unchanged. Moreover, the ideas expressed by our founder also ring true today:

“Avoid infatuation with immediate advantage. For enduring prosperity, harbor grand aspirations.”

“I started Mitsui & Co. with the goal of realizing trade on a large scale, not in pursuit of money, but from the desire to work.”

“Mitsui has a pool of very talented individuals. This is Mitsui's most important asset.”

### Sharing Our Management Philosophy and Addressing the Issues We Confront

In 2002, serious problems arose with the Kunashiri incident<sup>\*1</sup> and, in 2004, with the DPF incident.<sup>\*\*2</sup> There were many causes for these incidents, but the most deep-seated and the real cause was an overemphasis on winning the game and turning a profit at the front line under a tough business environment. As a result, we believe the underlying cause was the insufficient examination of our business policies and procedures and that this led to less emphasis on the values long held by Mitsui.

Therefore, to enable all management and staff to share again the business philosophy that we believed had been instilled implicitly into “Mitsui's DNA,” we set forth our management philosophy systematically and clearly in written form and then issued our corporate philosophy, “Mission, Vision and Values (MVV).”

In 2006, which marked the 130th year since the founding of the original Mitsui, we implemented a global, company-wide program called *YOI-SHIGOTO! Our Origins, Your Future*. Under this program, in workshops and seminars for all management and staff, we re-examined the ideals and aspirations that have remained and continued to develop within Mitsui since its founding. We also looked to the future and used this as an opportunity to think and ask questions, such as “What is the Yoi-Shigoto that we should be doing?” and “Is the work I am doing now Yoi-Shigoto?” This program of activities aimed at looking again at Yoi-Shigoto and raising our awareness is continuing in various forms in our business units, including overseas offices.

To take initiatives in providing a systemic framework, in 2006 we introduced the new personnel appraisal standard based on Mitsui & Co., Ltd. Competency Development Standards for the assessment of individual employees. Standards related to the awareness and embodiment of Mitsui's MVV have been included. We also introduced an organizational performance evaluation system that shifts the weight of evaluations more toward qualitative objectives and less toward quantitative objectives. We have, therefore, created an environment that will encourage each and every employee to be aware of our corporate philosophy at all times and compile a record of Yoi-Shigoto.

Despite these steps forward, in 2008, Mitsui discovered that a business division of its Kyushu Branch had been involved in circular transactions in certain agricultural materials, which included some fictitious transactions with business partners in the local market. In addition, in April 2009, Mitsui found that a large part of trading transactions bound for Indonesia and other Southeast Asian countries that were conducted by a business division of the Performance Chemicals Business Unit were disguised as purchase and sales transactions while, in fact, they did not involve any physical distribution of the merchandise. Mitsui fully recognizes the shortfall in its internal control systems and compliance enhancing activities. Accordingly, the President has directed that measures be taken to thoroughly re-emphasize compliance awareness to all members of the Group, and, to prevent the recurrence of similar events, immediately take further initiatives to ensure thorough on-site management, enhance control of business processes, and promote personnel rotation.

<sup>\*1</sup>: Kunashiri incident: A bid-rigging incident relating to a diesel power plant on Kunashiri Island.  
<sup>\*\*2</sup>: DPF incident: Falsification of certification data submitted to government authorities for diesel particulate filters.

## CSR at Mitsui & Co.

### Yoi-Shigoto—The Core of Mitsui's CSR

The core of Mitsui's CSR is for each and every member of management and staff to be aware of what Yoi-Shigoto means at all times and to put it into practice. Mitsui's CSR is not confined to its environment-related activities or those businesses that have high public-interest components. We should not think in terms of what businesses and projects are somehow representative of CSR. We should think how we can fulfill our responsibilities to society by making all our work Yoi-Shigoto that contributes value to customers and to society.

### CSR as the Starting Point for All Work

Mitsui's approach to CSR might be easier to understand if there were a single set of quantitative CSR appraisal standards. However, just as there is not single set of standards for assessing our complicated and diverse society, the operations within Mitsui cannot be evaluated with a single standard. Therefore, it is necessary to go beyond such minimum corporate duties as the observance of laws and social ethics and ask what meaning the work of companies has for society and whether the work is benefiting society. Going through this process is the only way to make Yoi-Shigoto a reality, and it represents the essence of Mitsui's CSR. Even when we conduct our annual review of business domains, to continue to improve the quality of our business activities, we look closely at the social significance of each business and the significance of Mitsui's participation in that business.

Any work we do will be evaluated differently, depending on whether it is viewed from an economic, social, or environmental perspective, and the assessment will vary depending on the stakeholder making the evaluation. We, therefore, believe that conducting our work from a CSR perspective should be a practical process of finding an optimal balance of these perspectives.

### Mitsui CSR and Corporate Sustainability

A company can only be sustainable if the society where it operates is sustainable. If a company is not sustainable, it cannot fulfill its social responsibilities. We believe that Yoi-Shigoto, the core of our CSR approach, creates value in society, and profits will follow as a result of fulfilling our responsibilities to society. Our view is that it is important to think of these issues in this order and that continuing to build on our record of accomplishments in Yoi-Shigoto will lead to sustainability of Mitsui's activities.

### Reexamining Our Work from an External Perspective

As employees of Mitsui, we will endeavor to be professional in our work each day. However, there are concerns that we pay more attention to our own sensitivities and feelings toward our work than to how our work is viewed by those outside Mitsui and the meaning our work has for society.

To put Yoi-Shigoto into actual practice, it is necessary for us to look at our work from the many perspectives previously mentioned. In particular, we must look at how our work is perceived by our customers and by society. We must also ask the question of what value our work offers to society and each staff member

must refine his or her sensitivities and feelings. To this end, we need to undertake active dialogue with a wide range of stakeholders so that we can better understand their opinions and wishes. In addition, we have also adopted a Specially Designated Business Management System to enhance the awareness of the perspective of society and take external viewpoints into consideration more systematically to compensate for lapses in sensitivity toward the concerns of society and to work toward raising the level of awareness of our employees.

There has been no change in Mitsui's traditional concept that *the individual builds the business, and the business cultivates the individual*. What is important in creating the environment for Mitsui's CSR is the maintenance of Mitsui values and further developing the creativity of employees. We must deal appropriately with various viewpoints expressed by outside stakeholders as well as tackle long-term issues relating to natural resources and the environment. In doing this, we have to consider how best to incorporate these factors into our work by expanding our horizons, aiming high, and advancing our creativity. After doing this, it is important for us to make judgments regarding what activities are appropriate for Mitsui's CSR and act accordingly.

We see a need to improve communication among all employees, widen our horizons, and continue to work toward increasing our sensitivities toward society. In addition, on a global Group basis, we want to share the implementation of these initiatives with Mitsui's subsidiaries in countries throughout the world and with employees of subsidiaries. Although our business activities are conducted in different countries, in different cultures, and with the participation of a wide range of individuals belonging to Mitsui group companies, our aim is to ensure that the people of Mitsui around the world are aware of and engaged in implementing Yoi-Shigoto and Mitsui's CSR.

## Sustainability at Mitsui: Meeting the Demands of the Times and Addressing Social Issues

Through Mitsui's many years of development as a company, we have constantly tried to anticipate what the next era will bring, analyzing how Japan and the world are likely to evolve. Amid these trends, we have also sought answers to how Mitsui should build on its potential, how it should employ its resources, and how we should further advance its functions and capabilities.

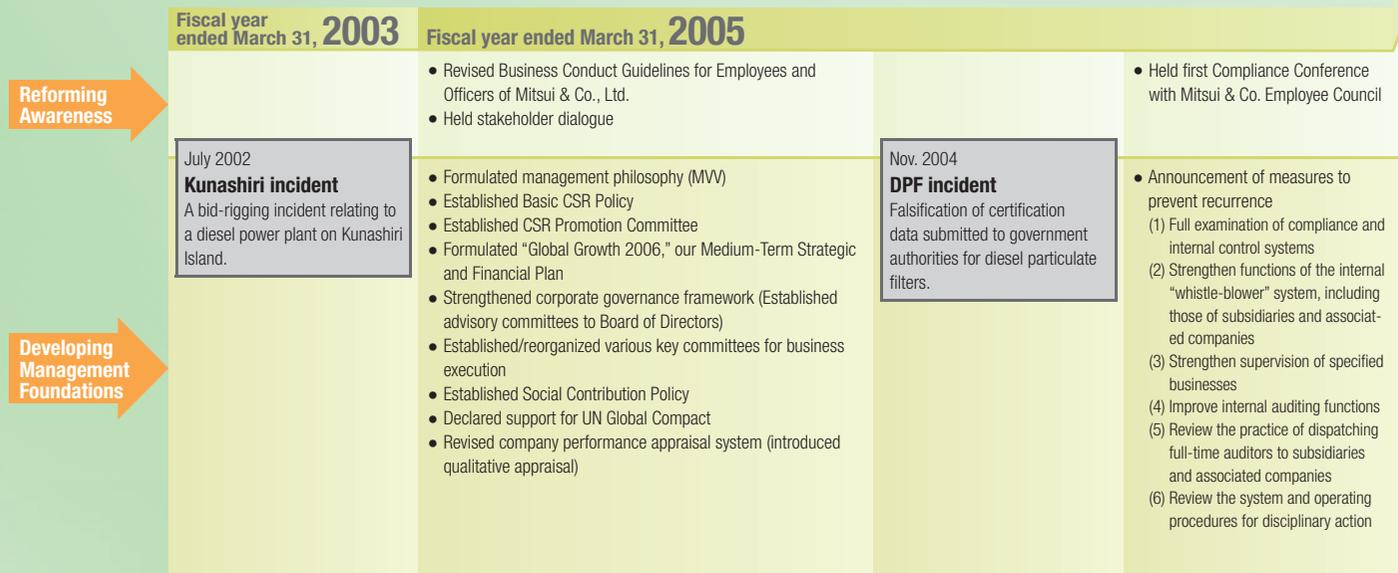
To help create a better world, we now need to consider how Japan and the world should develop into the future and what contributions Mitsui can make to identifying related issues and formulating a sound vision and to plan the steps to take in our day-to-day work to best contribute to this future.

As we work toward making this vision a reality, our capabilities as a *sogo shosha* enable us to contribute to the sustainability of society through Yoi-Shigoto and, in doing so, support the sustainability of Mitsui as a company and put Mitsui's CSR into practice.

# CSR at Mitsui & Co.

## Progress toward Yoi-Shigoto

To steadily build our track record of performing Yoi-Shigoto, which is the core of Mitsui's CSR, we are striving to reform the consciousness of all personnel and continue to move toward creating the management base to encourage Yoi-Shigoto. Looking ahead, we want each and every employee to maintain the values and management philosophy that we have inherited from our predecessors, have everyone think about what Yoi-Shigoto is, share this concept at the working level, and aim to put Yoi-Shigoto into practice in our work on a daily basis. We will continue to implement activities to reform the consciousness of personnel on a Global Group Basis and persist in our efforts to strengthen our management base.



### Workshops Held on the Theme: "What Should We Do to Recover Trust Lost in the DPF Incident?"

The DPF incident originated when problems were discovered in an internal audit in November 2004. We have held workshops where employees from many organizational units exchanged opinions on such questions as "How can we recover the trust that Mitsui lost as a result of this incident?," "Why did the DPF incident occur?," and "How can we prevent such incidents from occurring again?"

One of the first issues identified was that, because of a lack of communication, employees did not have a shared awareness of and were not pursuing their work in accordance with the company's management philosophy. Employees also said that one cause of the incident was the performance appraisal system placed too much emphasis on profitability and quantitative targets, and that, in order to prevent recurrence, appraisal methods used until that time would have to be changed to remove such bias. On the question of what employees should do now, the consensus was reached that reforming awareness was the necessary move to take.

These workshops provided a forum for employees to share Mitsui's values and its management directions, and they have been the starting point for developing our CSR framework.

### Implementation of Compliance Week

We introduced and held our first Compliance Week in 2005, one year after the DPF incident, to be sure we did not forget the lessons of this incident. The Compliance Week program provides opportunities for all employees to reflect on why problems such as the DPF incident occurred and what each and every employee should do to ensure compliance in their work.

The Compliance Week program begins with a message from the president emphasizing that improving the awareness of every single employee is the most important issue of all. The president's message is followed by lectures on compliance by external experts, employee panel discussions, and Active Talk Wednesday, a venue for executives and employees to freely discuss compliance and their awareness of daily work problems.

We have continued to hold Compliance Week activities on an annual basis since 2005 to keep us from forgetting about these issues and raise the shared awareness among employees of compliance.

### Workshops on the Theme: "What Constitutes Yoi-Shigoto?"

We marked the 130th anniversary of the founding of the former Mitsui & Co. in 2006. Since then, under the banner of "YOI-SHIGOTO! Our Origins, Your Future," we have carried out a whole host of activities each year on a company-wide basis with the aim of promoting ongoing awareness reform. One of the

### Fiscal year ended March 31, 2006

- Held stakeholder dialogue: "Reflecting on what a company owes to society"
- Held employee panel discussion: "The steps we must take to recover the trust lost in the DPF incident"
- Established Compliance Week
- Launched Active Talk Wednesday (still held on a monthly basis)
- Established Mitsui & Co., Ltd. Environment Fund and introduced a system to enable management, employees, and retirees of Mitsui to contribute to the fund (individual contributions)

### Fiscal year ended March 31, 2007

- Implemented activities to mark the 130th anniversary of the founding of the former Mitsui under the slogan "YOI-SHIGOTO! Our Origins, Your Future"
  - (1) Activities to reexamine our origins: Published a pamphlet entitled "The Heart of Mitsui & Co."
  - (2) Activities to revisit and review in depth the question "What is Yoi-Shigoto?": Held Yoi-Shigoto Workshops with participation of all employees; Held stakeholder dialogues with the participation of experts
  - (3) Activities to reaffirm each employee's link with society, above and beyond our core businesses: Introduced volunteer activities to employees, reviewed social contribution activities, reviewed significance of company forestlands
- Held Compliance Week, held employee panel discussion on the theme "What Should We Do to Recover Trust?"

### Fiscal year ended March 31, 2008

- Held stakeholder dialogues at headquarter business units and overseas regional business units, with business partners taking a central role
- Continued awareness-raising activities in pursuit of Yoi-Shigoto and expanded it to subsidiaries and associated companies
- Held Compliance Week
- Full-scale launch of environment education using company-owned forests

### Fiscal year ended March 31, 2009

- Continued to carry out awareness-raising activities for employees in pursuit of Yoi-Shigoto, and extended their scope to include overseas offices
- Held 100th President's Roundtable discussions between the President and CEO and employees
- Implemented Mitsui Environment Month
- Held Compliance Week
- Began to hold "CSR Movie Evenings" for showing CSR-related movies to employees
- Commenced lectures and dialogues with NGOs for employees
  - (1) Lecture by Toshiya Nishigori, Public Affairs and Civil Society Liaison Officer of UNDP Tokyo office
  - (2) Lecture by Jeremy Hobbs, Executive Director of Oxfam International
  - (3) Lecture by Yasushi Akashi, former Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator of the United Nations

- Introduced Specially Designated Business Management System and established Environmental Advisory Committee
- Revised managerial position appointment system
- Strengthened internal auditing (Increased number of staff in Internal Auditing Division)
- Conducted compliance overhaul
- Strengthened functions of internal reporting systems, including at subsidiaries and associated companies
- Strengthened internal environmental auditors training
- Established Personal Information Protection Guideline
- Established Diversity Promoting Department within Human Resources & General Affairs Division

- Established CSR Promotion Division
- Appointed CSR Promotion Officers at business units and regional business units to build company-wide network
- Enacted Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles
- Revised company performance appraisal system (20% quantitative/80% qualitative)
- Introduced new competency appraisal standards based on new personnel system and Mitsui & Co., Ltd. Competency Development Standards
- Formulated Medium-Term Management Outlook—Mitsui's business and financial vision 3-5 years ahead
- Developed global compliance system
- Established Diversity Promoting Committee
- Established Social Contribution Policy Operational Guidelines

- Established New Long-term Business Model Vision Task Force and began discussions
- Developed business portfolio (investments, personnel) strategy

- Preparation of Long-Term Management Vision that is basically oriented toward and calls for more in-depth implementation of Yoi-Shigoto as well as emphasis on full integration of internal control systems and CSR into Mitsui's activities
- Letter regarding Mitsui's Supply Chain CSR Policy sent to all suppliers
- Signed Call to Action Declaration on the UN Millennium Development Goals (MDGs)\*

\* Set of international commitments proposed and adopted at the United Nations in the aim of resolving by 2015 issues, such as poverty and hunger, facing developing countries.

most important of these activities has been the holding of company-wide, cross-divisional workshops that transcend individual organizational units and give employees the opportunity to think about what constitutes Yoi-Shigoto. Many employees have discussed and debated this issue. Some of the views expressed at these workshops have been "Sogo shosha have such a diversity of stakeholders in their work that achieving a balance is difficult" and "Making judgments about what is Yoi-Shigoto is difficult, but one criterion is whether we can talk proudly to our families at home about the work we do." Another view expressed was, "To prevent the views of our unit from becoming too insular, communication among units and divisions is necessary."

A conclusion of one of the workshops was that the pinnacle of Yoi-Shigoto and what we should aim for is "work that brings happiness to everyone and also makes a profit."

We want to emphasize that one of the most important things is to continue awareness-raising activities. Therefore, since 2006, we have continued these activities, evolving them bit by bit, to the present.

### Stakeholder Dialogue: "What Is Yoi-Shigoto?"

To provide opportunities for employees to think once more about what society expects of Mitsui, we hold stakeholder dialogues that are open to all employees to attend and invite prominent experts to take part in the discussions.

As a result of these dialogues, we have received input in the form of stakeholder opinions that Yoi-Shigoto should be work that strikes a balance among the interests of all shareholders and gives due regard to such social issues as disparities in working conditions, environmental issues in supply chains, and human rights. Input from these dialogues has had a major role in making us aware once more that Mitsui, as a company that handles virtually all types of materials and products, has a major role to play in the survival of humanity.

### Extending Awareness-Raising Activities to Subsidiaries and Associated Companies

Beginning with the fiscal year ended March 31, 2008, the activities to raise awareness regarding Yoi-Shigoto, which had been conducted uniformly on a company-wide basis, have been held at the initiative of the business units, with due regard for the features and status of their business activities. These activities are conducted on a Global Group Basis, including the regional business units and major subsidiaries.

Activities include holding workshops to consider Yoi-Shigoto at the working level and dialogues on Yoi-Shigoto with the participation of prominent outside experts. Also, when the creation of new businesses is considered and existing businesses come up for review, consideration from a Yoi-Shigoto perspective is an integral part of the consideration and review processes.

## Mitsui's CSR Philosophy, Policy, and Initiatives

Our ultimate guiding principles for the CSR-oriented management we aim to achieve are contained in the Mitsui & Co. Management Philosophy (Mission, Vision and Values). "Does our work really create new value and benefit society? Can we always be proud of its processes and quality?" Our CSR activities are always conducted with these questions in mind, and grounded in our quest for performing Yoi-Shigoto (good quality work).

### Mission, Vision and Values (MVV)

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**Mission** → Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

**Vision** → Aim to become a global business enabler that can meet the needs of our customers throughout the world.

**Values** →

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

### Basic CSR Policy

---

1

We will fulfill our role in the economy and continually strive to improve our corporate value by engaging in conscientious activities giving full consideration to the social significance of Mitsui & Co.'s presence and a strong awareness of our ties with the environment.

2

We will raise the awareness of each employee with regard to CSR and solidify our management base for practicing CSR through strengthening corporate governance and fully reinforcing internal control. We will also make efforts towards actively contributing to society.

3

We will place importance on interactive communication with our stakeholders. We will fulfill our accountability with respect to CSR and continually work to improve our CSR activities based on the responses of our stakeholders.

## United Nations Global Compact



In October 2004, Mitsui pledged its support for the United Nations Global Compact, which is a set of autonomous principles for action championed by the United Nations, and is complying with these principles as part of its own corporate ideals. At present, Mitsui conducts a survey once each year regarding compliance with the Global Compact principles and is taking initiatives to comply with and put these principles into practice on a Global Group Basis.

<b>Human Rights</b>	1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	2	make sure that they are not complicit in human rights abuses.
<b>Labour Standards</b>	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	4	the elimination of all forms of forced and compulsory labour;
	5	the effective abolition of child labour; and
<b>Environment</b>	6	the elimination of discrimination in respect of employment and occupation.
	7	Businesses should support a precautionary approach to environmental challenges;
	8	undertake initiatives to promote greater environmental responsibility; and
<b>Anti-Corruption</b>	9	encourage the development and diffusion of environmentally friendly technologies.
	10	Businesses should work against corruption in all its forms, including extortion and bribery.

## Supply Chain CSR Policy

1

We will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of our businesses, consistent with the wishes of our stakeholders.

2

We will strive to support improvements in our supply chains by seeking understanding and implementation of the following principles by our business associates.

1. We will engage in fair trade, prevent corruption and comply with all applicable laws and regulations.
2. We will not be complicit in human rights abuse and violation.
3. We will not participate in forced labor, child labor or unlawfully cheap labor.
4. We will help reduce and mitigate business impact on the global environment.
5. We will ensure a safe and sanitary work environment.
6. We will ensure the safety and reliability of our products and services.
7. We will disclose adequate and timely information relevant to the above.

## Environmental Policy

### Guiding Principles

1

Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.

2

Mitsui & Co. will make every possible effort towards realizing a “sustainable development” which is aimed at creating a harmony between the economy and the environment.

In view of the above principles, and in accordance with the Action Guidelines shown below, Mitsui & Co. will design, periodically evaluate, and continually improve an adequate risk management system, including response to matters such as global warming, nature conservation and the prevention of pollution, which will cover the wide range of activities that it undertakes on a global scale. At the same time, we will strive to ensure the development and dissemination of earth-friendly technologies and further reinforce our responsibility with respect to the environment.

### Action Guidelines

1

Compliance with related regulations



We will comply with the various regulations relating to environmental protection, as well as all agreements signed by the company for promoting business activities.

2

Efficient utilization of resources and energy



We will strive to reduce the burden on the environment within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the prevention, reuse, and recycling of waste and its proper disposal.

3

Environmental care for products and services offered, as well as existing and new businesses



We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as evaluating the impact that we have on the environment.

4

Contribution to providing industrial solutions to environmental issues



We will engage in business activities with the goal of providing rational and permanent industrial solutions and contribute to the realization of “sustainable development” by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.

## Social Contributions Policy

### Guiding Principles

We will build a congenial relationship with our stakeholders by striving to create a harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.

### Action Guidelines

1

In order to respond in an appropriate manner to the needs of the global environment, and international and regional society, Mitsui will actively promote social contributions that go beyond its normal business activities in addition to contributing to society through the implementation of Yoi-Shigoto in its normal sphere of business.

2

Mitsui will establish the three important areas of ‘International exchange’, ‘Education’ and ‘Environment’ for its social contributions, and will implement social contribution activities befitting of Mitsui & Co.

3

In addition to the making of economic contributions, such as donations etc., Mitsui also aims to carry out proactive social contributions that involve the participation of its executives and employees.

4

Mitsui promotes social contributions with an emphasis on transparency and accountability in respect of its stakeholders. It also aims for the continued improvement of activities through communication and cooperation with its stakeholders.

## Developing the CSR Promotion Framework

### CSR Promotion Framework

In 2004, Mitsui formed the CSR Promotion Committee as an advisory body to the Corporate Management Committee to develop Mitsui's internal framework with respect to CSR and work to raise CSR awareness among employees. In April 2006, we established the CSR Promotion Division, the central body for the promotion of CSR-oriented management on a company-wide level, to respond to the expectations and demands of society vis-à-vis the Company's approach to CSR and activities related to CSR. After reorganizing, integrating, and gaining a complete picture of our various major CSR-related operations, which had in the past been dispersed in various different divisions, we have been formulating new CSR policies.

Furthermore, with the objective of inculcating the importance of CSR-oriented management and Yoi-Shigoto (good quality work) throughout the Company and planning and promoting activities in an integrated manner with our business locations in the field, we have appointed CSR Promotion Officers in each business unit, overseas regional business unit, and domestic office, and are building our internal CSR network.

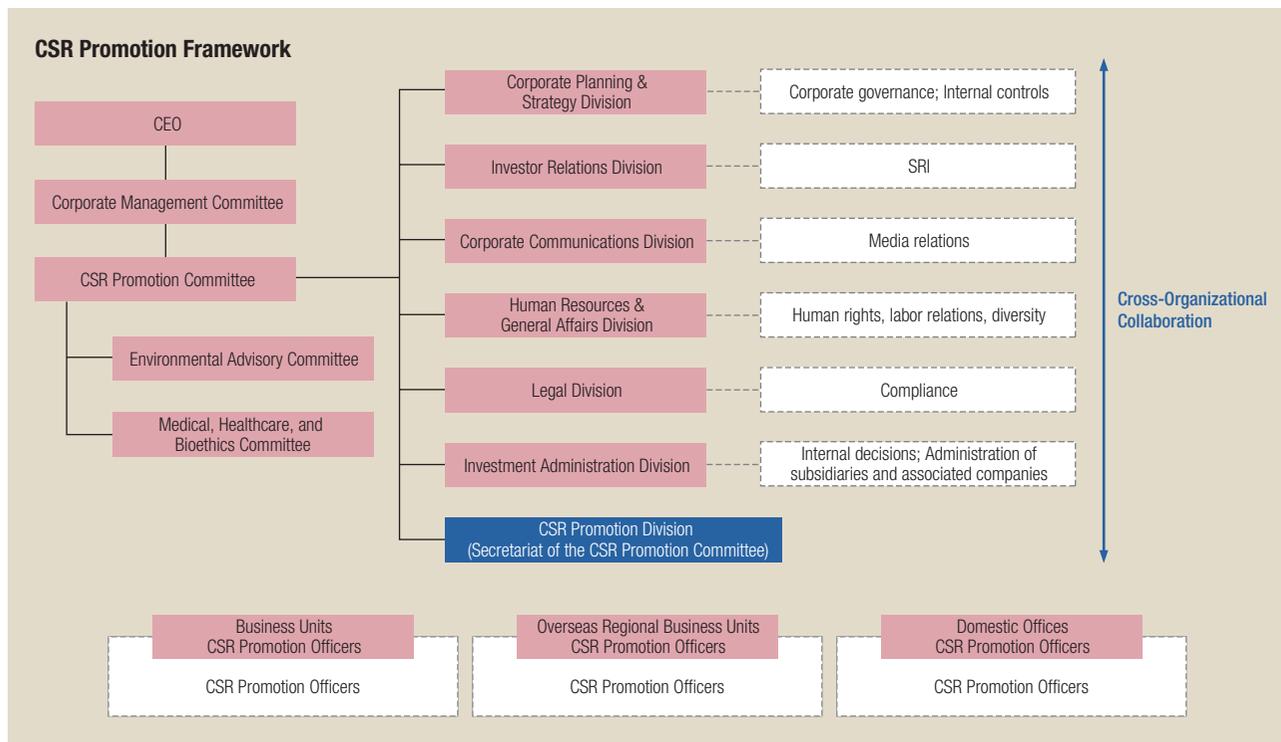
### CSR Promotion Committee

The CSR Promotion Committee submits proposals to the Corporate Management Committee on CSR-related management policies and business activities, inculcates the importance of CSR-oriented management throughout the Company, makes recommendations with respect to "Specially Designated Businesses" (Please refer to page 22.), and conducts other related activities.

The committee's chairman is the executive officer in charge of corporate staff divisions, including the CSR Promotion Division, and its deputy-chairman is the executive officer in charge of corporate staff divisions, including the Human Resources & General Affairs Division and the Legal Division. The general managers of each corporate staff division—the Corporate Planning & Strategy Division, the Investor Relations Division, the Corporate Communications Division, the Human Resources & General Affairs Division, the Legal Division, the Investment Administration Division, and the CSR Promotion Division (manager of the secretariat)—serve as its members. The committee has the following duties:

- (1) Develop fundamental policies on the management of the Company's CSR and fundamental plans for activities promoting CSR
- (2) Configure and establish an internal corporate structure for the management of the Company's CSR
- (3) Determine the key issues to focus on each year for activities to promote the CSR measures of the Company and ensure progress on these
- (4) Respond to issues related to CSR, both within and external to the Company
- (5) Decide whether to support individual proposals qualified as Specially Designated Businesses, and determine necessary precautions for projects that will be supported

Furthermore, the Environmental Advisory Committee (Please refer to page 26.) and the Medical, Healthcare, and Bioethics Committee have been established under the CSR Promotion Committee, with the objective of responding to various CSR-related issues.



## Promoting CSR-Oriented Management

Based on our management philosophy comprising Mitsui's Mission, Vision and Values (MVV), we are working to maintain the trust and respond to the expectations of our various stakeholders, and actively pursuing a management approach that emphasizes CSR. Furthermore, we see raising overall corporate value from various aspects—economic, environmental, and social—as our management objective, and we aim to ensure the sustainable development of both the Company and society,

while earning social trust through our business operations and through activities that transcend our business and make broad social contributions.

The following table shows Mitsui's principal accomplishments for the fiscal year ended March 31, 2009, the degree of achievement of these goals, and our tasks and objectives for the fiscal year ending March 31, 2010.

### CSR Management Accomplishments and Goals

Degree of achievement of goal by self-evaluation: ◎: Implemented and results attained; ○: Implemented and further result attainment necessary; △: Not implemented

Item	Tasks and Objectives for FY ended Mar. 31, 2009	Page No.	Degree of Achievement of Goal	Tasks and Objectives for FY ending Mar. 31, 2010	
Governance	Corporate Governance	Raise awareness of Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles on a consolidated basis	17–18	○	Raise awareness of these principles on a consolidated basis
		Ensure management transparency and continue to improve effectiveness of corporate governance	17–18	○	Ensure management transparency and continue to improve effectiveness of corporate governance
	Internal Controls	Increasing the effectiveness and efficiency of internal control systems on a global Group basis	17–18	○	Further improve effectiveness and efficiency of internal control on a global Group basis
	Compliance	Taking compliance activities to a deeper level on a global Group basis	19–21	○	Further enhance compliance activities on a global Group basis
		Maintaining and improving awareness of compliance and continuing to conduct training and education to secure practical knowledge about compliance	19–21	◎	Continue with training for maintaining and improving compliance awareness and facilitating the acquisition of practical knowledge on compliance
		Enhance internal reporting systems at group subsidiaries and associated companies	19–21	◎	Enhance internal reporting systems at group subsidiaries and associated companies
	Risk Management Structure	Commencing and stabilizing backup functions for acceptance operation at domestic branches	—	◎	Enhancing flexibility of crisis management
		Planning and implementing "simulation training" by members of the Emergency Measures Headquarters	—	○	
Environment	Strengthening Environmental Management Systems	Develop awareness-raising activities, such as Mitsui Environment Month program	25–26	◎	Continuation of Mitsui Environment Month program and training and inclusion of more in-depth contents
		Strengthening systems for environmental management systems on a global Group basis (Creating and strengthening such management systems at overseas regional headquarters and overseas subsidiaries)	25–27	○	Developing more in-depth environmental management systems on a global Group basis (Promoting ISO 14001 certification at overseas subsidiaries where environment risk is high)
		Implement environmental law surveys and physical inspections at subsidiaries and associated companies	26	◎	Conducting surveys of environmental laws and environmental testing at domestic subsidiaries (15 companies) and elsewhere
		Improve environmental impact assessment, taking into account occurrence probabilities	26	◎	Implementing surveys of soil pollution and conducting asbestos questionnaire surveys of the parent company and domestic subsidiaries with the objective of identifying environmental risk in the parent company, domestic subsidiaries, and elsewhere
	Initiatives to Combat Global Warming	Conducting diagnoses of energy conservation and considering the setting of goals for reduction in greenhouse gas emissions on a Group basis	26	◎	Setting goals for reducing emissions of greenhouse gases on a domestic Group basis and measuring greenhouse gas emissions at overseas subsidiaries
		Making responses to the recycling society (3Rs) (Considering measurement and management of the volume of industrial waste emissions)	28	○	Commencing full-scale initiatives to deal with industrial waste emissions (considering reductions in the volume of emissions and other issues)
	Pursuing Environmental Businesses	Promote environmental and energy businesses throughout the Company	29–30	○	Promote environmental and energy businesses throughout the Company
	Utilizing Company-Owned Forests	Expanding the stakeholder group for the forest environment program and deepening the content of the program	31–32	◎	Conducting forest environment programs that take advantage of the features of company forestland, have deeper ties with local communities, are for a broader range of stakeholders, and enhance the awareness of these programs

Item		Tasks and Objectives for FY ended Mar. 31, 2009	Page No.	Degree of Achievement of Goal	Tasks and Objectives for FY ending Mar. 31, 2010
Environment	Utilizing Company-Owned Forests	Conducting a "resource survey" on Mitsui's forestlands and considering related policy initiatives as part of activities to preserve biodiversity on these forestlands	31-32	○	With biodiversity as the focus, conducting activities based on acquisition of FSC Forest Certification and Forest Certification during the current year, and commence verification and other activities for carbon offsetting, including the J-VER systems of Japan's Ministry of the Environment
		Promoting joint research with other companies and organizations (including wood fiber biomass and the revitalization of forests and wooded areas)	31-32	○	Building on Mitsui's active programs for research on forest revitalization conducted with Toyota Motor, verify and implement joint activities and sales with other companies
Society	Relations with Society	Promoting comprehensive social contribution and donation activities on a global Group basis	37-42	○	Promoting social contribution activities on a global Group basis
		Supporting volunteer activities of Mitsui employees	40	○	Supporting social contribution activities through employee participation on a global basis
		Stabilizing the scale of assistance at the current level (stabilizing the scale of assistance, increasing efficiency of secretariat office work, reviewing the methods for budget allocation and evaluations, and assessing/providing feedback on the three-year assistance plan)	41-42	◎	Assessment and feedback following the end of support activities
		Promoting the understanding and support of employees for fund activities	—	○	Providing information internally on fund activities and promoting employee participation
		Deepening communication with stakeholders through the activities of the fund	—	○	Increasing efficiency of secretariat office work
		Promoting and improving the quality of the core social contribution activities	38-40	○	Reviewing and improving core social contribution activities
		Conducting more in-depth joint efforts with NPOs and NGOs and conducting survey of MDG projects	41-42	○	Promoting and maintaining communication with NPOs, NGOs, knowledgeable persons outside Mitsui, and others. Considering activities aimed at contributing to the attainment of MDGs
	Relations with Business Partners	Heightening awareness of the Supply Chain CSR Policy inside and outside Mitsui	23-24	◎	Continuing activities to improve the awareness of the Supply Chain CSR Policy internally and externally
	Employee Relations	Implementing personnel strategy on a global Group basis	33-35	○	Strengthening functions for personnel and general affairs within initiatives for nurturing personnel who can work globally and promotion of consolidated management
		Making improvements related to issues selected from the employee satisfaction survey and conducting continuing initiatives	33-36	○	Continuing to review personnel systems and implementing measures for greater internal movement of personnel
Deepening awareness of Mitsui's corporate philosophy and taking initiatives to reform the awareness and behavior of employees (Conducting Yoi-Shigoto based on Mitsui's corporate philosophy and taking steps to nurture human resources who can contribute to society on a sustainable basis)		7-8 15-16	○	Work to further inculcate management philosophy and to reform employees' awareness and behavior (initiatives to foster human resources that can generate Yoi-Shigoto and contribute to society on an ongoing basis, based on Mitsui's management philosophy)	
CSR-Oriented Management	CSR Promotion Framework	Globalizing and optimizing the CSR promotion system	12	○	Globalize and optimize CSR promotion framework
	Awareness Raising	Promoting autonomous CSR management at the working level	7-8 15-16	○	Promoting autonomous CSR management at the working level and providing company support at the working level
		Step-by-step implementation of Yoi-Shigoto on a global Group basis	7-8 15-16	○	Improving the awareness of Yoi-Shigoto on a global Group basis
		Research our compliance with the Global Compact and implement continuous improvements	10	◎	Research our compliance with the Global Compact and implement continuous improvements
	Risk Management	Increasing effectiveness and efficiency of CSR risk management in the Global Group	22	◎	Improve effectiveness and efficiency of global Group CSR risk management
	Stakeholder Communication	Continue to promote communication with all stakeholders from corporate level through to our various operating entities	1	◎	Considering and implementing steps to develop a new editorial policy for the CSR Report that will appeal to stakeholders other than professionals and a separate databook that will contain non-financial information for specialists conducting CSR research and making CSR assessments
		Maintain and improve transparency and accountability of Mitsui's management through strategic information disclosure. Conduct management that takes the capital markets into account and provide feedback to locations in the field	—	◎	Maintain and improve transparency and accountability of Mitsui's management through strategic information disclosure. Conduct management that takes the capital markets into account and provide feedback to locations in the field

## Activities Related to CSR by Business Unit

To put Mitsui's goal of Yoi-Shigoto, which is the core of its CSR, into practice in its day-to-day activities, all of Mitsui's business units, domestic offices, and overseas regional headquarters are

pursuing their own activities related to CSR suited to conditions at the working level. The following table introduces those activities.

### 1. Activities by Business Unit

<b>Iron &amp; Steel Products</b>	<ul style="list-style-type: none"> <li>Implemented a joint training and group discussion program for new employees with the Mineral &amp; Metal Resources Business Unit and the Energy Business Unit I and Unit II entitled "Let Us Not Forget the DPF Issue"</li> <li>Held lectures entitled "Mitsui's CSR Initiatives" given by members of the CSR Promotion Division, as part of the joint business unit training mentioned in the previous item for line and staff employees</li> <li>Presented CSR seminars related to the following three themes (for a total of nine seminars)               <ol style="list-style-type: none"> <li>Corporate ethics: "Reflecting on the DPF Issue" (presented by Susumu Katagiri, manager of the Plastics Department)</li> <li>Human rights and labor: "Current Status of Labor and Human Rights Issues and CSR" (presented by Shinichi Hasegawa, Representative of International Labor Organization (ILO) office in Japan)</li> <li>Environment: "Initiatives of Japan's Steel Industry Related to Global Warming" (presented by Hironobu Nose, Group Leader of the Environment Department of Nippon Steel Corporation)</li> </ol> </li> </ul>
<b>Mineral &amp; Metal Resources Business Unit</b>	<ul style="list-style-type: none"> <li>Implemented a joint training and group discussion program for new employees with the Iron &amp; Steel Product Unit, Energy Business Unit I and Unit II entitled "Let Us Not Forget the DPF Issue"</li> <li>Held lectures entitled "Mitsui's CSR Initiatives" given by members of the CSR Promotion Division, as part of the joint business unit training mentioned in the previous item for line and staff employees</li> <li>Began discussions in workshops held on 15 different themes that included "Resource Development and Environmental Preservation" and "Trends in Internal Controls and Compliance" from the perspective of human resource training and development</li> </ul>
<b>Energy Business Unit I and Unit II</b>	<ul style="list-style-type: none"> <li>Implemented a joint training and group discussion program for new employees with the Iron &amp; Steel Products and Mineral &amp; Metals Resources Business units entitled "Let Us Not Forget the DPF Issue"</li> <li>Held lectures entitled "Mitsui's CSR Initiatives" given by members of the CSR Promotion Division, as part of the joint business unit training mentioned in the previous item for line and staff employees</li> <li>Held group discussions on three themes that included "What Should We Do to Create a Good Energy Segment?"</li> </ul>
<b>Infrastructure Projects Business Unit</b>	<ul style="list-style-type: none"> <li>Conducted training for young line and staff employees on the theme "Reflecting on the DPF Issue" and held a group discussion taking account of the situation faced by those involved at the time of the incident</li> <li>Conducted training with the title "Reflecting on the DPF Issue" at an informal meeting of domestic Group companies and held a workshop on Yoi-Shigoto</li> <li>Held three training sessions on corporate ethics using the case method and held group discussions based on materials that included examples of CSR (presented by Mitsuhiro Umezu, a Keio University associate professor)</li> </ul>
<b>Motor Vehicles Business Unit</b>	<ul style="list-style-type: none"> <li>Instituted a system providing for "Awards for CSR Activities of the Motor Vehicles Business Unit," with the objective of raising awareness of CSR in the headquarters and among subsidiaries and associated companies</li> <li>Held training for manager-level staff of subsidiaries and associated companies and a joint workshop with the Second Chemicals Business Unit, with the aim of staff development</li> <li>For compliance issues, held joint training with the Marine &amp; Aerospace Business Unit and conducted a questionnaire survey of opinion followed by feedback</li> </ul>
<b>Marine &amp; Aerospace Business Unit</b>	<ul style="list-style-type: none"> <li>Held training related to internal controls for the headquarters and subsidiaries and associated companies</li> <li>Conducted a panel discussion on compliance to increase the awareness of compliance issues</li> <li>To improve communication, held a meeting for the chief operating officer to exchange opinions with on an informal basis with manufacturers and subsidiaries and associated companies, a meeting for exchanging opinions among staff personnel, and various kinds of off-site meetings</li> </ul>
<b>First Chemicals Business Unit</b>	<ul style="list-style-type: none"> <li>Held CSR-focused seminars jointly with the Second Chemicals Business Unit, on the following three themes related to the natural environment (for a total of three seminars)               <ol style="list-style-type: none"> <li>"The World's Water Supply and Climate Change" (presented by Taikan Oki, professor of Tokyo University)</li> <li>"Evolution toward Era-Leading, Comprehensive Management of Chemical Substances" (presented by Masaru Masuda, professor of Ochanomizu University)</li> <li>"Considering Climate Change in Touch with the Earth" (presented by Shinichi Takemura, professor of Kyoto Handicraft Arts University)</li> </ol> </li> <li>Sponsored a workshop to review the DPF issue with core subsidiary Daiichi Tanker Co., Ltd.</li> <li>Completed the preparatory registration of REACH and finished structuring the database</li> </ul>
<b>Second Chemicals Business Unit</b>	<ul style="list-style-type: none"> <li>Held CSR-focused seminars jointly with the First Chemicals Business Unit, on the following three themes related to the natural environment (for a total of three seminars)               <ol style="list-style-type: none"> <li>"The World's Water Supply and Climate Change" (presented by Taikan Oki, professor of Tokyo University)</li> <li>"Evolution toward Era-Leading, Comprehensive Management of Chemical Substances" (presented by Masaru Masuda, professor of Ochanomizu University)</li> <li>"Considering Climate Change in Touch with the Earth" (presented by Shinichi Takemura, professor of Kyoto Handicraft Arts University)</li> </ol> </li> <li>Held workshops jointly with the Motor Vehicles Business Unit on themes related to Global Group Basis management (for a total of four seminars)</li> </ul>
<b>First Consumer Service Business Unit</b>	<ul style="list-style-type: none"> <li>Held a CSR seminar jointly with the Second Consumer Service Business Unit that was conducted by Ernst &amp; Young ShinNihon LLP under the title, "Sorting Out Basic CSR Concepts and Moving Ahead with CSR Management"</li> <li>Sponsored a seminar open to participants from Mitsui and a stakeholder dialogue regarding the nursing care field, which has a high public service component (presented by Shigeru Tanaka, professor of Keio University)</li> <li>Invited the manager of the Intellectual Creation Department of Eisai Co., Ltd., which practices corporate philosophy based management, to give a seminar open to participants from Mitsui</li> <li>Subsidiary Mitsui Bussan Inter-Fashion Co., Ltd., conducted an on-site survey at the plant of a manufacturing subcontractor in China</li> <li>To promote the awareness of poverty, AIM SERVICES CO., LTD., one of the principal subsidiaries of the business unit, called on all Head Office staff to participate every week in the Table for Two lunch program that is offered in the Head Office cafeteria.</li> </ul>
<b>Second Consumer Service Business Unit</b>	<ul style="list-style-type: none"> <li>Held a CSR seminar jointly with the First Consumer Service Business Unit that was conducted by Ernst &amp; Young ShinNihon LLP under the title, "Sorting Out Basic CSR Concepts and Moving Ahead with CSR Management"</li> </ul>
<b>Foods &amp; Retail Business Unit</b>	<ul style="list-style-type: none"> <li>Held seminars related to the environment that included food-related topics and outings entitled "In Touch with the Earth"</li> <li>Implemented study meetings within the business unit on the topic of "Food Safety and Security" and continued to present the "CSR Column Relay" section on the intranet, which was instituted in 2007 and is prepared by business unit personnel</li> <li>Held meetings of the business unit's CSR Promotion Committee generally once a month to improve the understanding of corporate policies and trends</li> <li>Held joint off-site, overnight sessions on CSR themes to create a deeper understanding of CSR</li> </ul>

<b>IT Business Unit</b>	<ul style="list-style-type: none"> <li>• Sponsored a CSR seminar conducted by Ernst &amp; Young ShinNihon LLP entitled "Sorting Out Basic CSR Concepts and Moving Ahead with CSR Management"</li> <li>• Renewed the business unit's ISO 27001 certification (the ISO certification for information management) and implemented training and e-learning related to the Information Security Management System (ISMS)</li> <li>• To address the issues of (a) falsifying subcontracting activities and (b) insider transactions, the business unit (a) invited an outside attorney and held lectures on compliance and (b) prepared rules for insider transactions.</li> </ul>
<b>Financial Markets Business Unit</b>	<ul style="list-style-type: none"> <li>• Held discussion sessions on the theme of "Financial Businesses that Mitsui Should Engage In" (for a total of 54 sessions) and presented a report to top management</li> <li>• Working jointly with the Human Resources &amp; General Affairs Division, invited top managers of financial institutions and held diversity forums open to everyone in Mitsui on the topic of "Diversity for Creating New Value"</li> <li>• Working jointly with the Legal Division, invited an outside attorney, and held a seminar open to everyone in Mitsui on the topic of financial laws and regulations</li> <li>• Sponsored a seminar on compliance, jointly with the Legal Division, for the management of the business unit's operating departments and the top management of subsidiaries and associated companies</li> <li>• Held a seminar on internal controls as part of the CDP training activities of the business unit</li> <li>• Prepared plans for a brochure reporting on the content of the unit's business activities and its CSR promotion initiatives</li> <li>• To increase awareness of CSR, participated in the "Kids' Market Camp," an education program for children by providing services for the planning and implementation of this event (for a total of two times)</li> </ul>
<b>Transportation Logistics Business Unit</b>	<ul style="list-style-type: none"> <li>• To promote a shared awareness of the close relationships between CSR and internal controls, sponsored an "Internal Control Seminar" for this business unit and its subsidiaries and posted related information on the unit's intranet</li> <li>• Held seminars on compliance with requirements for the management of trading related to security agreements, handling of personal information, and other issues. (for a total of 10 times)</li> </ul>

## 2. Activities of Domestic Offices

<b>Hokkaido Office</b>	<ul style="list-style-type: none"> <li>• As part of activities related to Yoi-Shigoto workshops, invited a lecturer from Recruit Co., Ltd., to speak on the theme "The Value and Significance of Work" to raise awareness of this topic among offices and subsidiaries/associated companies</li> <li>• Held forest environment programs for offices and subsidiaries/associated companies as part of a program to improve self-awareness. Spring activities were held in the Niwan forest area, and fall activities were held in the Numata forest area (for a total of two times).</li> </ul>
<b>Tohoku Office</b>	<ul style="list-style-type: none"> <li>• As part of activities to increase awareness of the environment, volunteers from Mitsui participated in the "Izunuma Black Bass Artificial Insemination and Installation of Egg-Laying Area" project, which was sponsored by the Miyagi Prefecture Izunuma and Uchinuma Environmental Preservation Foundation, which receives assistance from the Environment Fund.</li> </ul>
<b>Chubu Office</b>	<ul style="list-style-type: none"> <li>• Sponsored stakeholder dialogue and invited business partners, economic organizations, universities, NPOs, and a wide range of other stakeholders to listen to the opinions and expectations of stakeholders regarding the office</li> <li>• Held a panel discussion to think about Yoi-Shigoto and invited Iwao Taka, professor of Reitaku University</li> <li>• As part of activities to raise awareness of the natural environment, implemented a forest environment program for employees and their families in Mitsui's company-owned forest (Sando forest). For the office and subsidiaries/associated companies, showed a DVD of an environment-related seminar held in Mitsui's Head Office during Environment Month (for a total of four times). Also held environment-related seminars and DVD showings</li> </ul>
<b>Kansai Office</b>	<ul style="list-style-type: none"> <li>• As part of activities to raise awareness of the natural environment, held environment-related seminars through DVD showings (on five themes on 13 occasions) and conducted forest environment programs (in Mitsui's company-owned forest (Kiyotaki forest) for employees and their families</li> <li>• Continued to hold compliance seminars for the office and subsidiaries/associated companies. Held seminar in November with guest speakers from the Dojima Legal Office and the former manager of General Affairs of Snow Brand Milk Products Co., Ltd.</li> </ul>
<b>Chugoku Office</b>	<ul style="list-style-type: none"> <li>• Held seminars with DVD showings throughout the year (not just during Environment Month in June) for the office and subsidiaries/associated companies and sponsored lectures on CSR and social contribution activities</li> <li>• As part of activities to raise awareness of the natural environment, the office participated in the tree-planting activities of Takehara City in Hiroshima Prefecture that were held by the "Environment Fund for the Earth and the Future," an NPO corporation that receives assistance from the Environment Fund</li> </ul>
<b>Kyushu Office</b>	<ul style="list-style-type: none"> <li>• For the office and subsidiaries/associated companies, invited speakers from Mitsui's Head Office to hold Yoi-Shigoto workshops on the themes of "environment" and "social contribution"</li> </ul>
<b>Niigata Office</b>	<p>Conducted the following activities to enhance awareness of the natural environment:</p> <ul style="list-style-type: none"> <li>• Implemented forest environment programs in Mitsui's company-owned forest (Nanba forest) for the employees and families of employees of Mitsui, its subsidiaries and associated companies, and business partners</li> <li>• Held an environment-related seminar with a DVD showing for the office and subsidiaries/associated companies</li> <li>• Employees participated in cleanup activities sponsored by Niigata City</li> </ul>
<b>Hokuriku Office</b>	<p>Conducted the following activities to enhance awareness of the natural environment:</p> <ul style="list-style-type: none"> <li>• Gave full cooperation, together with the Environment Fund, for the "2008 Environmental Forum in Kanazawa," which was sponsored by Kanazawa University and the Ishikawa Kanazawa Operating Unit of the Advanced R&amp;D Center of the United Nations University</li> <li>• Employees participated in the village and mountain areas (Satoyama) improvement (tree-planting) activities sponsored by the Kintaro Club, which receives support from the Environment Fund, which were conducted in Yamada Forest Park (known as KORO-Rin forest) in Toyama City.</li> </ul>
<b>Shikoku Office</b>	<ul style="list-style-type: none"> <li>• Implemented forest-related environmental training in the "Joint Forest Development of Environmentally Advanced Companies," which is supported by the Environment Fund (in Inomachi in Kochi Prefecture)</li> </ul>

## 3. Overseas Regional Business Units

<b>Americas Business Unit</b>	<ul style="list-style-type: none"> <li>• To promote sharing the values inherent in Yoi-Shigoto on a consolidated basis, in addition to the management message on the blog from the Chief Operating Officer of the Americas Business Unit, the presidents of subsidiaries in the Americas, including the president of Mitsui &amp; Co. (U.S.A.) (Chief Operating Officer of Americas Business Unit), have sponsored informal get-togethers, and the "Yoi-Shigoto Acknowledgement Program" is being continued.</li> <li>• As a tool for promoting the better understanding and permeation of the values inherent in Yoi-Shigoto, prepared video clips of messages related to Yoi-Shigoto from the Chief Operating Officer and the assistant Chief Operating Officer for the Americas Business Unit as well as the product general managers of the Americas, and these clips were introduced on the intranet and on DVDs to employees, including those of subsidiaries and associated companies</li> <li>• To share the experiences related to raising awareness of Yoi-Shigoto at the Americas Business Unit with other headquarters units, dispatched personnel to Europe, the Middle East, and Africa headquarters to provide training regarding Yoi-Shigoto to personnel hired locally and provided other support for this training</li> </ul>
<b>Europe, Middle East, and Africa (EMEA) Business Unit</b>	<ul style="list-style-type: none"> <li>• Implemented training regarding Yoi-Shigoto in the Regional Training Program and Leadership Training Program in the regional headquarters</li> <li>• To promote the transmission of messages from management and internal communication, held informal get-togethers, staff lunches, and other events</li> <li>• Systematized the environmental risk scoring procedures using the Environmental Risk Assessment Tool</li> </ul>
<b>Asia Pacific Business Unit</b>	<ul style="list-style-type: none"> <li>• To enhance the awareness of Yoi-Shigoto and MVV, positioned these as important themes for the Internal Control Committee of the Asia-Pacific headquarters and implemented training in each office and product business unit as well as workshops for group training in the regional headquarters</li> </ul>

## Corporate Governance and Internal Controls

We are making efforts to enhance our corporate governance framework and develop and improve our internal controls on a global Group basis, to make Mitsui a company that is trusted by society. We recognize that ensuring thorough compliance with respect to internal controls is a particularly important issue.

### Corporate Governance and Internal Controls: Systems and Implementation

#### Corporate Governance Framework

Mitsui has chosen to base its corporate governance framework on a corporate auditor system, headed by the Board of Corporate Auditors. To achieve effective corporate governance for shareholders and other stakeholders, the Company has established and maintains the following governing bodies:

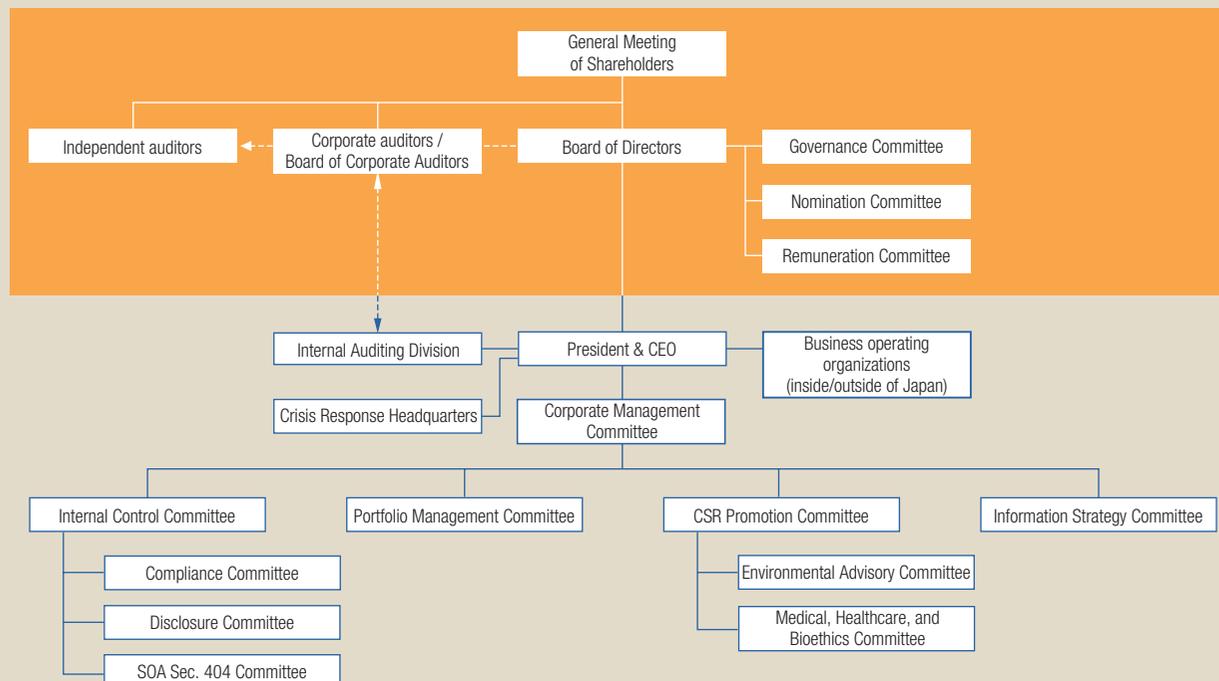
- (1) The Board of Directors is Mitsui's ultimate decision-making body for business execution and oversight. To ensure that those functions are fulfilled, Mitsui appoints no more than the number of directors necessary to enable effective deliberations. Mitsui has also established the Governance Committee, Nomination Committee, and Remuneration Committee as advisory bodies to the Board of Directors, with external directors and external corporate auditors serving as members of these committees.
- (2) The Board of Corporate Auditors audits the execution of the duties of the Board of Directors as an independent body and reports to shareholders. In pursuit of this objective, the corporate auditors carry out multifaceted, effective auditing activities, such

as attending important internal meetings and auditing various types of reports, and develop necessary measures in a timely manner.

To ensure transparency and accountability, key requirements of corporate governance, Mitsui is endeavoring to strengthen management oversight and supervision, taking into account the perspectives of external directors and external corporate auditors. At the same time, the Company is developing its internal control framework with respect to information disclosure, and, based on the general rules of fair disclosure, executives and employees are responsible for ensuring accountability. Furthermore, to separate the functions of business execution and oversight, Mitsui has broadly transferred the authority for business execution to the Company's executive officers, with the Board of Directors responsible for overseeing the execution of business by the executive officers. The Chief Operating Officers of the Company's 14 Head Office business units and three overseas regional business units also serve concurrently as executive

The Corporate Governance Framework

As of July 2009



officers, supporting a dynamic approach to business execution across the consolidated Group.

At the time of the General Meeting of Shareholders in June 2009, there were 12 directors, four of whom were external directors. We have six corporate auditors, two full-time and four external, and we have established a Corporate Auditor Division as a framework to provide added support to the corporate auditors in the execution of their duties. Corporate auditors attend the meetings of the Board of Directors and other important in-house meetings, overseeing procedures and resolutions, and visit offices in and outside Japan and important subsidiaries and associated companies.

### **Business Execution and Internal Control System**

We have adopted the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) of the United States, and are developing and improving our internal control system. With respect to compliance, we have given particular attention to ensuring that all employees, including those in subsidiaries and associated companies, thoroughly understand and practice the basic principle that “no compliance = no work = no company.”

At the core of our internal control system, the Internal Control Committee, chaired by the president, establishes basic internal control policy and carries out company-wide internal control evaluations and improvements. The Compliance Committee, Disclosure Committee, and SOA Sec. 404 Committee all operate under the Internal Control Committee.

Furthermore, to respond to the increasingly diverse kinds of risks associated with our business, we have established the Portfolio Management Committee, which met 22 times during the fiscal year ended March 31, 2009, monitors the Company’s entire portfolio, makes proposals on the Company’s overall portfolio strategy, and conducts individual discussions on important projects. In addition, we have formed the Crisis Response Headquarters, an ad-hoc body reporting directly to the president, which exercises swift, precise decision making when there is a need for a swift response, and the CSR Promotion Committee, which met a total of five times during the fiscal year and promotes company-wide CSR management, builds our internal CSR-related systems, and works to heighten the awareness of CSR among employees. Moreover, we have formed the Information Strategy Committee, which formulates policies related to company-wide information and IT strategy as well as prepares and monitors the implementation of major policies related to promoting the enhancement of the management base and information strategy.

### **Current Status of the Internal Auditing Structure**

The Internal Auditing Division, which reports directly to the president and has a staff of about 100, conducts regular audits, including audits of subsidiaries inside and outside Japan. Internal auditors make independent and objective evaluations of such areas as management and operational effectiveness, compliance, and the reliability of financial reporting. The audit results are reported to the president, and follow-up reports from the audited department are requested on items where improvement is deemed necessary.

Furthermore, we have established an internal auditing section in each business unit. Each department and branch carries out self-auditing on their own initiative, and combined with Internal Auditing Division audits, this contributes to further improving the effectiveness of our internal controls.

### **Initiatives to Enhance Corporate Governance over the Last Fiscal Year**

In our internal control activities, we made an assessment of risks of unethical activities, following up on a similar assessment in the previous fiscal year. Activities also included the strengthening of internal control related initiatives, such as verifying the separation of job functions and expanding the scope of subsidiaries and associated companies covered by the assessments. In addition, to increase convenience for our shareholders, a reduction in the number of shares per trading unit from 1,000 to 100 was implemented on April 1, 2009, following a recommendation to this effect from the Governance Committee, an advisory body to the Board of Directors and approval of this suggestion by the Board.

## Compliance

Our good reputation is the foundation of our business. We recognize that it is only through compliance that we can maintain our reputation and increase the trust placed in us by our customers. Therefore, we are working to heighten the awareness among all management and staff of the importance of high ethical standards and pursuing management based on best business practices on a global basis.

### Further Pursuit of Compliance in Our Business

#### The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.”

The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” (the “Guidelines”) specifically set down how every Mitsui employee should act in his/her daily activities, from the perspective of compliance with laws, internal regulations, and corporate ethics. The Guidelines aim to help us fulfill our corporate social responsibility (CSR) and win the trust of our stakeholders. They have been revised from time to time since their enactment in February 2001, to reflect changes in the law and best practices.

Our aim is to ensure that all Mitsui employees have a broad awareness of the Guidelines by providing training and e-learning, and all employees have pledged to comply with them. We have also introduced bespoke business conduct guidelines for each affiliated Group company, which are based on the Guidelines but tailored to the specific business structures of those companies. In addition, we have put in place the Guidelines in each of our

overseas offices, reflecting the local laws, regulations, and customs of the countries in each region.

#### Business Conduct Guidelines for Employees and Officers

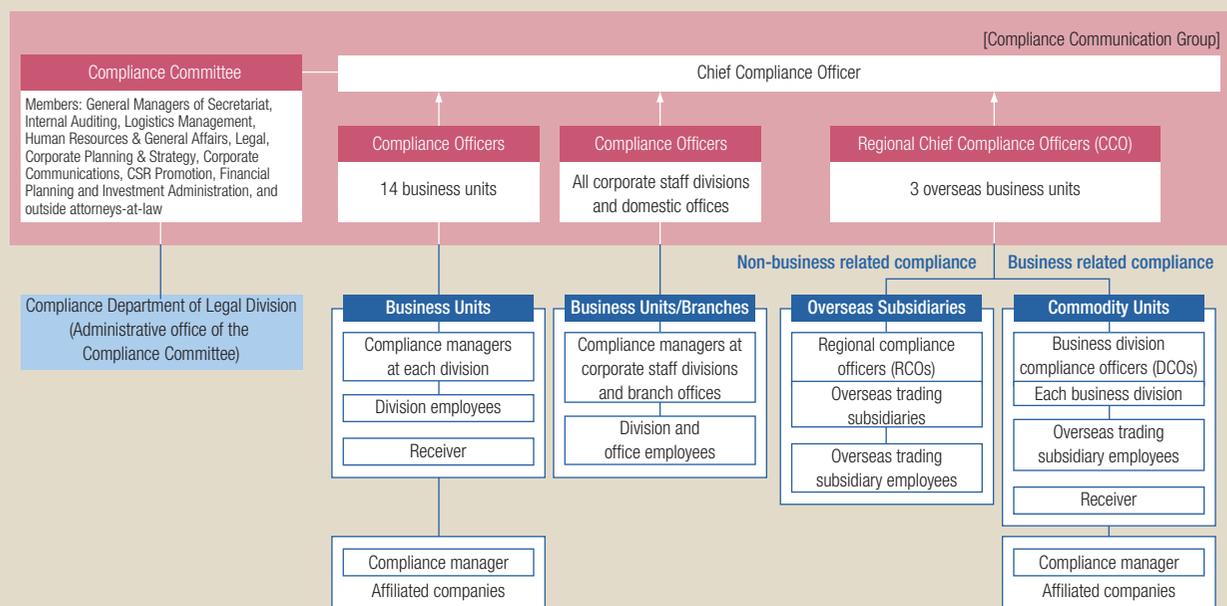
1. Compliance with the Law and Respect for Human Rights
2. Office Environment and Sexual Harassment
3. Compliance with Antitrust Law, etc.
4. Conflicts of Interest between Employees and the Company
5. Gifts and Favors
6. Treatment of the Company's Information
7. Compliance with Procedures for Export and Import and Other Applicable Laws
8. Company Fund and Financial Reporting
9. Political Donations and Other Contributions
10. Social Contributions
11. Protection of the Environment
12. Action against Antisocial Groups
13. Reporting and Sanctions

This booklet also covers management philosophy, submitting reports and consulting with others, the compliance program, the U.N. Global Compact, basic CSR policy, environmental policy, and social contribution policy.



#### Compliance Program Chart

Revised April 2009



• At least one compliance manager is named in each division and office. • At offices and branches in Japan, compliance management for the operational organizations is handled through the respective business unit lines, while that of administrative units and units overseen directly at the corporate level is handled by general managers of the office or branch, or general managers of the applicable corporate staff divisions.

## The Compliance Program

The Compliance Management Department of the Mitsui Legal Division leads compliance efforts on a global basis under the direction and supervision of the Chief Compliance Officer (a member of the Board of Directors who is responsible for compliance) and with the support of the Compliance Officers appointed in each business unit in Mitsui's Head Office and the Regional Chief Compliance Officers of our three overseas business units—the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific. The objectives of these efforts are to (i) heighten awareness of compliance on a Group-wide basis, (ii) strengthen and improve compliance programs and systems within Mitsui, and (iii) respond to specific compliance issues that arise.

In addition, a Compliance Committee has been established as a forum for discussions relating to the promotion of compliance with laws and ethical standards across the Group as a whole. With the participation of external attorneys, the Compliance Committee discusses various issues that have arisen in the wider Group, and the outcome of these discussions is made available on the company intranet.

## Facilitating Good Communication and Improving the Internal Reporting System

We believe that the key to promoting compliance is maintaining an open working environment through transparent and open communication within the Mitsui community, which reflects our management philosophy and values, in order to prevent problems arising. If employees have any concerns about possible misconduct, they are responsible for promptly raising those concerns to and seeking guidance from their supervisors or other managers in an appropriate and timely manner.

Mitsui offers eight channels for raising compliance concerns, including internal reporting lines and reporting routes to external attorneys or using third-party hotline service providers that offer an anonymous reporting route. Mitsui has published Internal Reporting System Regulations, in which it is clear that no employee should suffer any retaliation or prejudice for raising any compliance concern. Furthermore, we have made it possible for Group companies in Japan to refer compliance reporting to Mitsui's designated external attorneys and third-party hotline service providers as their own external reporting channels, and we are enhancing our system to allow employees of Group companies to raise concerns without fear of retaliation through providing guidance to Group companies on how to set up and manage internal reporting channels. Overseas, our Regional Chief Compliance Officers are chiefly responsible for overseeing the implementation of reporting channels that make it possible for employees in overseas offices and affiliated Group companies in each region to report and seek guidance on compliance concerns, in line with local laws and customs.

### Measures for Preventing Recurrence of Irregular Transactions within Mitsui

In July 2008, Mitsui discovered that a business division of its Kyushu Branch had been involved in circular transactions in certain agricultural materials, which included some fictitious transactions with business partners in the local market. In addition, in April 2009, Mitsui found that a business division of its Performance Chemicals Business Unit had reported exports to countries in Southeast Asia, including Indonesia, which did not, in fact, involve any physical distribution of the merchandise.

## Effective Education and Training

Mitsui provides a wide range of compliance training programs to employees to promote a high degree of awareness of business ethics throughout Mitsui and to ensure that all employees have the necessary skills and information available to them to ensure they work compliantly.

In the fiscal year ended March 31, 2009, we provided such training for employees at all levels, including new employees, line managers, operations staff, and administrative staff, as well as for Mitsui employees moving overseas or being seconded to Group companies. The training included briefings on important laws and regulations in both Japan and overseas. Mitsui also provides an extensive program of compliance training for executives and employees of Group companies. Furthermore, all employees in Japan are required to take a computer-based compliance e-learning program. We keep the e-learning content on our intranet so that employees can review it at any time on their own initiative.

We also provide compliance training for overseas operations and Group companies, taking into account the specific characteristics of the regions in which they are located.

## Compliance Awareness Survey

In order to understand and monitor the level of compliance awareness among executives and employees, we conduct a Compliance Awareness Survey annually and use the survey results to address issues and implement a variety of measures to promote further awareness or to reduce compliance problems.

Last year, we included 147 Group companies in Japan in the survey. The response rates to the survey were 88.3% from staff within Mitsui and 93.1% from our Group companies. Responses from Mitsui employees to questions covering a range of compliance topics were mainly positive, suggesting that an awareness of compliance is beginning to take root within Mitsui. These topics included: communication in the workplace; situations that posed possible compliance dilemmas or where compliance violations were overlooked; whether people share the Company's management philosophy; and whether compliance matters to employees as much as business results. Responses from Group companies showed an improvement compared to the previous year's survey results, particularly to questions on such topics as whether the specific company was working effectively to ensure high standards of compliance, whether feedback of the results of the previous survey had been given to employees, and whether respondents had attended compliance training seminars.

We are also in the process of rolling out the Compliance Awareness Survey to our overseas offices and Group companies.

Mitsui has been implementing initiatives to enhance compliance programs and systems within the Company. However, Mitsui fully recognizes the shortcomings in its internal control systems and compliance-enhancing activities. To prevent the recurrence of similar events, Mitsui will immediately take further initiatives to ensure thorough on-site management, enhance the control of business processes, and promote personnel rotation.

## Other Initiatives

In addition to the activities previously mentioned, Mitsui has also started holding meetings for the compliance officers of certain Group companies in both Japan and certain overseas locations, to enable the compliance officers to study compliance issues that have arisen in Mitsui and exchange information in small group workshops. The objectives of these meetings include raising the level of practical knowledge and skills of the persons responsible for upgrading and implementing the autonomous compliance programs of Group companies. Moreover, the Chief Compliance Officer and the Group company presidents hold meetings from time to time to share information on and address issues at the working group level. During the fiscal year ended March 31, 2009, we continued activities to assist Group companies to improve and implement their autonomous compliance programs with the aim of enhancing compliance standards and practices throughout the whole Mitsui Group.

## Efforts to Protect Personal Information

We have developed a system for managing personal information protection, which is based on our Privacy Policy (Personal Information Protection Guidelines) and Regulations for the Protection of Personal Information. Under this system, we have appointed a member of senior management with the title of representative senior managing director to serve as Chief Privacy Officer (CPO) and have established the CPO Office. This office engages in a wide range of activities to address various issues, including making all personnel aware of personal information protection and responding to requests for related information and questions that arise in daily operations.

As a general trading company, we and our subsidiaries and associated companies handle a wide range of products. Particularly in our B-to-C (Business to Consumer) consumer goods business fields, we handle large volumes of personal information and must take extreme care to ensure that this data is protected. When information leakages occur, we form issue management teams to respond to such incidents, and, to forestall the occurrence of future incidents, we have appointed Personal Information Management Officers in each domestic division to monitor the status of personal information management.

To ensure the security of information, we have introduced entry and exit control systems that employ ID cards equipped with ICs and have implemented measures to prevent the leakage of information from office PCs. In addition, to strengthen information security on a groupwide basis, we are working to enhance the security systems of our subsidiaries and associated companies as well as provide related support through education and training programs.

## Initiatives to Ensure the Safety and Peace of Mind of Consumers

To ensure the safety and peace of mind of consumers, Japan has established a Consumer Agency as a government organization to have jurisdiction over laws that have close relationships with the lives of consumers. The ultimate objective of these laws is to offer consumers safety and peace of mind, and Mitsui is aware that consumer safety and security are major requirements for the conduct of its business operations.

Mitsui has established its Consumer Product Handling Policy and Consumer Product Handling Regulations for the proper management of consumer products. In addition, detailed regulations have been prepared for each business unit, all of which we use to ensure the appropriate handling of consumer products.

Moreover, in the foods area, Mitsui works to secure food products to supply Japan, which has the lowest rate of food self-sufficiency among the industrialized countries. Mitsui's Foods & Retail business segment places maximum priority on food safety and security and has established internal rules and criteria for safe management, created a database, and monitors related activities overseas down to the food production stages.

Mitsui also places utmost priority on ensuring the safety and security of items in addition to consumer products and food.

### The Consumer Product Handling Policy

#### Placing More Emphasis on the Consumer and Ensuring Product Safety

In its manufacturing, import, and domestic marketing of consumer products, Mitsui not only aims to handle products that are inexpensive or perform well; the Company also gives serious consideration to the consumer, and places priority on handling safe products that consumers can use with peace of mind. This policy is aligned with our management philosophy comprising our Mission, Vision and Values (MVV) and ties in with our aspiration to do Yoi-Shigoto (good quality work).

#### Developing and Operating a Risk Management System

To ensure that the Consumer Product Handling Policy functions in practice, the Company has developed an appropriate risk management system and is working to maintain and improve the system for collecting, disseminating, and disclosing information on the occurrence of accidents involving products, and arranging for product recalls when accidents involving products occur.

## CSR-Related Risk Management

Business opportunities and the risks associated with doing business have increased and become more diverse due to economic globalization, progress in information technology, and the increasing awareness of CSR. Based on this understanding, Mitsui recognized the necessity to comprehensively manage risk from both quantitative and qualitative perspectives, by responding appropriately to changes in social conditions and business models. With this awareness, we designated the four business domains listed in the table below, which have high qualitative risk, including risks related to the natural environment, society, and governance, as Specially Designated Businesses, and we have been endeavoring to develop such businesses with due caution under our Specially Designated Business Management System. Specifically, when beginning new projects, we conduct internal assessments, and, wherever necessary, seek the advice of the CSR Promotion Committee as well as the Environmental Advisory Committee and the Medical, Healthcare, and Bioethics Committee, both of which comprise knowledgeable individuals from outside the Company, regarding whether to proceed with

the proposed projects and recommendation on how improvements can be made. The final decisions on whether to proceed or not are made by representative directors after the circulation of proposal documents to related departments.

In the fiscal year ended March 31, 2009, we made decisions on whether 140 different projects were appropriate to be Specially Designated Businesses, and, as a result, 48 projects were individually assessed under the Specially Designated Business Management System. By business domain, 12 of these projects were environment-related businesses, 6 were R&D-oriented manufacturing-related businesses, and 30 were businesses with a high public profile, but there were no projects in the domain of bioethics-related businesses.

Furthermore, we have established the ODA Business Management System for promoting ODA business, which has a high public profile and, therefore, requires operation processes that are highly transparent, and conducting necessary risk management activities.

### Four Business Domains Subject to Specially Designated Business Management System

Business Domain	Key Points for Screening	
	Applicable to All Four Business Domains	<ul style="list-style-type: none"> <li>• Significance and social value of the business itself</li> <li>• Significance of Mitsui engaging in said business</li> </ul>
<b>1 Environment-related business</b> All businesses that manufacture and market, including those that contract manufacturing to third parties, products that are closely concerned with the environment, and those businesses whose business domain is the environment itself. Examples: CDM (Clean Development Mechanism) business, business using biomass, recycling business, waste water treatment business, etc.	<ul style="list-style-type: none"> <li>• Contribution of said business to the environment and society</li> <li>• Measures to mitigate environmental impact, and ensuring of safety</li> <li>• For development business, appropriate consideration and understanding of related parties such as local residents</li> <li>• Compliance with environmental laws, regulations and guidelines, etc.</li> </ul>	
<b>2 R&amp;D-oriented manufacturing</b> All R&D-oriented businesses that develop new technologies and businesses that manufacture and market products, including those that contract manufacturing to third parties. Examples: Development and production of new medical devices, etc.	<ul style="list-style-type: none"> <li>• Examination of feasibility of technologies</li> <li>• Checking of management system for performance and quality assurance, etc.</li> </ul>	
<b>3 Bioethics-related businesses</b> Businesses that are involved in the development of technologies concerning the human genome, genetic analysis, genetic recombination, and related areas, and those businesses that trade in products that use those technologies. Examples: Development of new drugs using genetic analysis technology, etc.	<ul style="list-style-type: none"> <li>• Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI )</li> <li>• Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.</li> </ul>	
<b>4 Businesses with a high public profile</b> Businesses that are eligible for direct or indirect subsidies from the Japanese government or other governments and which have a high public profile, as well as high-risk cases that may be in conflict with public order and morality, Mitsui's management philosophy, or other CSR-related matters. Examples: Businesses receiving subsidies, etc., public businesses (businesses based on PFI, designated administrator system, market testing, etc.), businesses with strong regional exclusivity (public transportation systems, etc.), etc.	<ul style="list-style-type: none"> <li>• Evaluation in light of Mitsui's Management Philosophy</li> <li>• Social impact and ensuring accountability and transparency of processes</li> <li>• Determination of interests of stakeholders, and resultant considerations and responses</li> <li>• Responsibility and capability as the operator of a business with a high public profile over the medium to long term</li> </ul>	

## Supply Chain Initiatives

**As a company that develops a multitude of value chains around the world and provides related functions and services, we give consideration to a variety of supply chain issues and work with our business partners to meet the expectations of society because these are initiatives that tie in with our management philosophy comprising our Mission, Vision and Values (MVV) and are important for putting into practice the United Nations Global Compact.**

### Supply Chain CSR Policy

An important mission of the Company is to take up the challenge of working to resolve various issues facing the international community, such as problems relating to human rights, labor, and the global environment.

In October 2004, Mitsui pledged to support the United Nations Global Compact, and is taking steps to comply with the 10 Global Compact principles that cover human rights, labor standards, the environment, and anti-corruption, and to improve its approach in these areas. However, against a backdrop of rising consumer awareness about these matters, we are being called upon to expand these initiatives to also include our supply chains.

In view of these global trends, in December 2007 we established the Supply Chain CSR Policy. Under this policy, we are going beyond green procurement, which shows regard for the burden on the environment, to encourage our business partners to identify and work toward solutions to such issues as compliance with legal regulations, human rights, labor safety, and sanitation, as well as the safety and security of products and services.

#### Working with Our Business Partners

Based on our Supply Chain CSR Policy, we focused on the following two initiatives during the fiscal year ended March 31, 2009.

#### 1 Sending a Uniform Letter to All Suppliers

During the fiscal year, we sent a letter to all the suppliers of Mitsui and its subsidiaries requesting their understanding and cooperation with our Supply Chain CSR Policy to make sure that suppliers understood our policy. This letter was prepared in Japanese, English, and other foreign languages and was sent to approximately 5,000 business partners by the Headquarters Business units and the Regional Business units and to about 15,000 companies by Mitsui's subsidiaries, or to a total of about 20,000 business partners.

The letter was sent, in principle, by the person in charge in Mitsui and its subsidiaries to the supplier. Along with the mailing of the letter, we held explanatory meetings, posted related information on the intranet, and adopted other measures to make our employees fully aware of this policy.

#### 2 In Industries and Regions where Risk Is Judged to Be High, Make Individual Responses, including On-the-Spot Inspections

Among the seven items mentioned in section 2 of the Supply Chain CSR Policy, especially in the areas of human rights and labor, which we have positioned for making individual responses, we have placed priority on taking response initiatives in the textile industry, which is a labor-intensive sector where, in general, human rights and labor issues may arise more easily. Accordingly, we conducted on-site visits and surveys at the eight plants in China that provide manufacturing subcontracting services to Mitsui Bussan Inter-Fashion Ltd., which is one of Mitsui's subsidiaries in the apparel industry. (For further details, please see the facing page.)

#### Road Ahead

Since Mitsui and its subsidiaries have virtually completed the mailing of the uniform letter to existing suppliers, the letter will now be sent each time transactions begin with new suppliers, with the aim of requesting that all suppliers of Mitsui and its subsidiaries understand the Supply Chain CSR Policy.

Also, to increase the sensitivities of employees regarding human rights, labor, and other issues in the supply chain and work to prevent problems before they occur, we are continuing to conduct training and other activities to heighten the awareness of employees regarding these issues. We are also endeavoring to understand actual conditions when a supplier has failed to comply with the policy or when there is an extremely high probability of failure to comply with the policy and request the understanding among business partners of our policy and the implementation of improvements in conditions where appropriate. As we move forward to implement this policy, we are emphasizing close and interactive communication with our business partners, and, as necessary, will give consideration to working jointly with them to introduce improvement measures, with the objectives of building trust and strengthening our supply chains.

## Initiatives in the Apparel Industry

### Preparation of Plant Assessment Criteria

Mitsui Bussan Inter-Fashion Ltd. (MIF), a Mitsui subsidiary in charge of the procurement of apparel, accessories, and related goods, is responsible for delivering goods that have been manufactured under contract with factories in Japan and overseas, to apparel manufacturers.

MIF prepared its own Supply Chain CSR Policy during the fiscal year ended March 31, 2009, and, through study meetings and other means, is working to make employees aware of this policy. MIF has also sent a letter requesting the understanding of this policy to its 650 subcontract suppliers in Japan and 165 suppliers overseas.

At the same time, to work toward preparing plant assessment criteria for overseas subcontractors that include standards for processing quality as well as CSR aspects, including human rights and labor, MIF implemented on-site visits and surveys, with the participation of specialists, at eight manufacturing plants of subcontractors in China in November and December 2008. The on-site visits aimed to gain an understanding of the status of production equipment, production management, labor safety and sanitation conditions, the work environment, and other conditions. Based on the results of the visits and surveys, a draft of items to be covered by plant assessment criteria was prepared, and work has begun on the selection of assessment items through on-site monitoring surveys. At present, MIF is considering the specific procurement policies of apparel manufacturers to which it makes deliveries of goods and the criteria of subcontracting plants to prepare a list of more than 1,000 plant assessment criteria for overseas subcontracting plants that will include production processes (including such aspects as production equipment and production management) and the work environment (including such aspects as systems, equipment, safety, and sanitation).

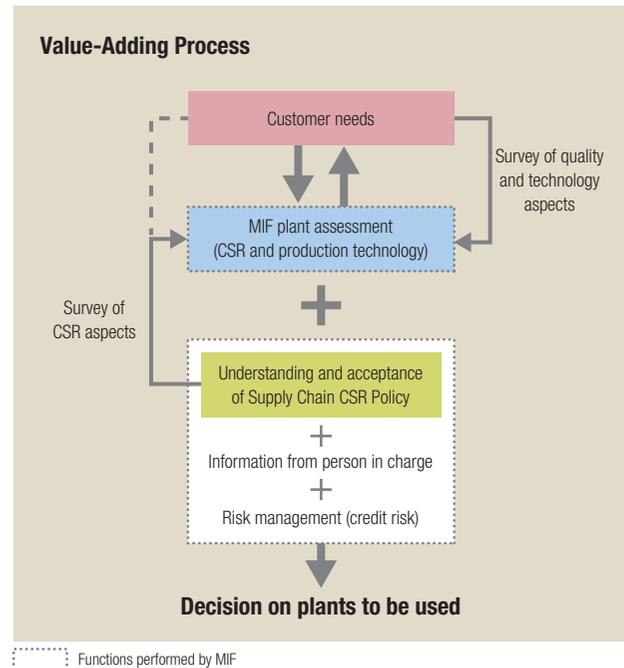


On-site inspection at Shanghai Donglong Feather Manufacture Co., Ltd.



Fact-finding hearing with management at Wuxi Fuji Fashion Wear Co., Ltd.

In making assessments, all items will be quantified and priority weighting given to priority assessment items. After primary assessments of items related to production technology (quality aspects), including production equipment and production management, a secondary assessment will be made of work safety, sanitation, and labor conditions. An overall assessment based on these items will then be made and plants to be used will be selected.



### Issues to Be Addressed

Looking ahead, MIF will aim to respond to the existing needs of its customers for increasingly higher quality and establish its own plant assessment criteria from a CSR perspective, including those pertaining to the work environment. Through close communication with the plants where it is conducting assessments, MIF believes it will be able to obtain reliable information regarding these plants and build stronger transaction relationships. Also, MIF believes these activities will lead, thereby, to expansion in its business and the development of new customers.

In addition, in putting these plant assessment criteria into practice going forward, MIF will continue to implement initiatives to address the following issues.

- Gaining a better understanding of the Supply Chain CSR Policy and making an integral part of the thinking of employees and transaction partners
- Giving consideration to specific methods for the introduction of the plant assessment criteria
- Giving consideration to approaches and re-assessment methods for presenting proposals for improvements at subcontractor plants
- Conducting flexible and periodic reviews of assessment criteria in response to changes in the business environment

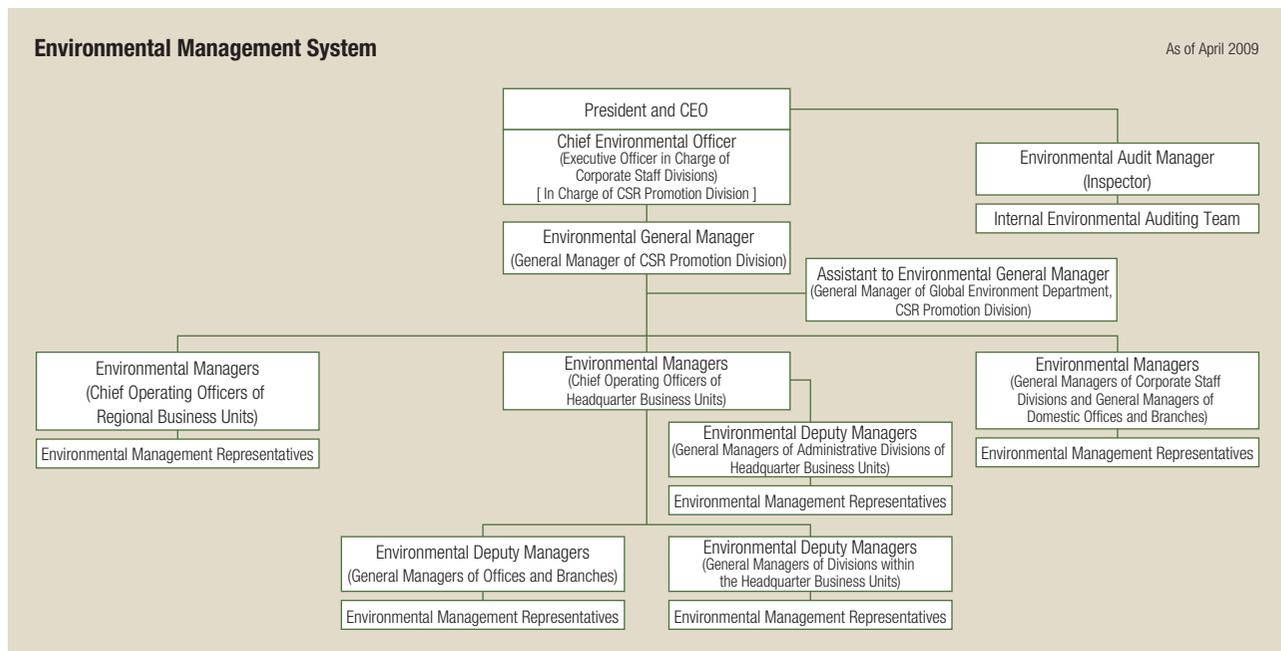
## Responsibility for and Contributions to the Global Environment

Environmental consideration is essential for society's sustainable development and Mitsui's sound business growth. Mitsui has established its Environmental Policy (Please refer to page 9.) and is moving forward with measures to standardize its systems and operational procedures for promoting environmental management on a global Group basis. At the same time, through a range of measures, such as working to nurture human resources who are capable of promoting and guiding Yoi-Shigoto in the environmental area, we are striving to make continual improvements in our activities to preserve the global environment.

### Environmental Management System

To promote environmental management, Mitsui has appointed a chief environmental officer to assist the president in performing his management responsibilities for environmental issues. To execute environmental management, the general manager of the CSR Promotion Division has been appointed as the environmental general manager. In addition, the chief operating officers of each business unit, the general managers of each corporate

staff division, the general managers of each branch and office in Japan, and the chief operating officers of overseas regional business units have been appointed as environmental managers of their respective business units or divisions. Mitsui has created this organizational framework to promote its environmental management on a global Group basis.



### Execution of Environmental Management

Mitsui has positioned environmental management on a global Group basis as one of its highest priority issues and is implementing a wide range of measures to strengthen its environmental management.

#### Environmental Management System under ISO 14001

Mitsui has made the judgment that environmental management under the system prescribed by ISO 14001 is the most effective approach. This is because the ISO 14001 system secures objectivity and transparency through third-party assessments, promotes environmental activities on a global Group basis, strengthens the framework for environmental management, facilitates responding

to the need to reduce the burden on the environment, promotes compliance, and attains other objectives. Therefore, beginning with the fiscal year ended March 31, 2008, Mitsui has required all of its domestic subsidiaries that are not engaged in selling activities to obtain ISO 14001 certification. Mitsui has also set a policy that will require overseas regional headquarters and overseas subsidiaries to obtain ISO 14001 certifications, beginning with those having the highest environmental risks. During the fiscal year ended March 31, 2008, Mitsui identified those businesses with high risk levels, and, at present, these companies are moving ahead with preparations to obtain ISO 14001 certifications.

Mitsui established its companywide environmental objectives for the year ending March 31, 2011, under the ISO 14001 environmental management system in its statement entitled “Standardizing Systems and Operational Procedures for the Nurturing of Personnel Capable of Analyzing and Responding to Increasingly Complex Environment Issues.” Mitsui has set four objectives for the fiscal year ending March 31, 2010: (1) responding to the requirements of the low-carbon society, (2) responding to biodiversity, (3) implementing additional initiatives in Mitsui’s main business, and (4) planning and carrying out various programs for human resource development. Mitsui has begun initiatives to attain these objectives.

### Training Specialist Personnel

To promote environmental management on a global Group basis, Mitsui is aiming to standardize management methods based on ISO 14001 in those subsidiaries that are engaged in manufacturing and other businesses that place a burden on the environment. To provide support for this, Mitsui is expanding the number of its personnel who have obtained ISO 14001 environmental auditor qualifications. At present, a number of Mitsui staff are working to obtain these qualifications and have been seconded to outside environmental auditor organizations for training on a daily basis. In addition, more than 10 Mitsui personnel have obtained qualifications as Environmental Provisional Auditors.

### Environmental Advisory Committee and Environmental Incident Response System

To further develop “environment-related businesses” and “R&D-related manufacturing” responsibly and with maximum consideration for the environment, Mitsui has formed its Environmental Advisory Committee to deliberate environment-related issues. This committee is composed of outside members who have a basis of an understanding of environment matters and have an objective perspective. In addition, Mitsui appoints experts with knowledge of environmental matters and related technologies (with manufacturing experience) who conduct follow-up activities related to new and existing business activities. As a result of the appointment in March 2009 of outside personnel with specialized knowledge, the operation of the committee became more efficient. Moreover, although there were seven small environment-related incidents during the fiscal year ended March 31, 2009, since these were all dealt with quickly, the remedial measures and action to prevent future occurrences have all been completed. Please note that when a major environmental incident occurs, the Environmental Incident Response Committee convenes to identify the causes and consider appropriate corrective and preventive measures.

### Research on Environmental Laws and Regulations and Environmental Inspections

As part of environmental risk management activities, Mitsui also holds seminars dealing with environmental laws and regulations for its subsidiaries in Japan. Using a checklist for environmental

laws and regulations developed in-house, Mitsui conducts reviews regarding environmental laws and regulations in its domestic subsidiaries, with the aims of determining whether subsidiaries recognize the laws and regulations they must follow and making sure that they are in compliance with these legal and regulatory provisions. In addition, senior staff of the Global Environment Department and environmental consultants visit the plants and offices of domestic subsidiaries in manufacturing, processing, warehousing, transportation, and other industries that have an impact on the environment to provide specific guidance regarding compliance with environmental laws and regulations, reducing the environmental burden, and preventing environmental pollution. During the fiscal year ended March 31, 2009, 15 subsidiaries were visited. During the fiscal year ending March 31, 2010, to substantially improve responsiveness to environmental risk on a global Group basis, plans call for conducting on-site inspections not only in domestic subsidiaries whose operations may place a burden on the environment but also in such overseas subsidiaries.

### Management of Greenhouse Gas (GHG) Emissions

During the fiscal year ended March 31, 2009, GHG emissions on a CO<sub>2</sub> equivalent basis of Mitsui’s subsidiaries in Japan were 326,000 tons.\* Last fiscal year, Mitsui called on a third-party organization to verify the figure for emissions during the fiscal year ended March 31, 2008, and implemented an energy conservation diagnosis for subsidiaries that have high levels of energy utilization. During the fiscal year ending March 31, 2010, Mitsui is considering the setting of goals for reduction based on the results of this verification and diagnosis.

Notes: 1. The summation of CO<sub>2</sub> emissions from energy sources of domestic consolidated subsidiaries (as they are defined in Japan’s Financial Instruments & Exchange Law)  
2. The previous criteria used for calculation have been changed. The Company has made an early application of the volume of greenhouse gas emissions, based on the Law Concerning Promotion of Measures to Cope with Global Warming. The difference between this and the previous method is that, under the newly applied criteria, emission volume from oceangoing vessels and from transportation on commission are omitted.

### Assessment of Environmental Liabilities

Mitsui regards the environment as one of its highest priority issues and is promoting attention to environmental matters as one of the key elements in its CSR framework. As part of these initiatives, Mitsui and its domestic Group subsidiaries have begun to make assessments of environmental risks on their own initiative related to their land and buildings and are conducting investigations, not limited just to possible legal claims, related to asbestos, PCB, and soil pollution, with the aim of contributing to capabilities for making rapid decisions and judgments on management policies.

As proactive initiatives regarding environmental issues are being required, during the fiscal year ending March 31, 2010, Mitsui is taking into account the need to respond to changes in domestic accounting regulations pertaining to obligations that may be incurred in connection with the removal of tangible fixed assets, such as the removal of buildings and other assets from land, as well as changes in environmental laws.

# Environment

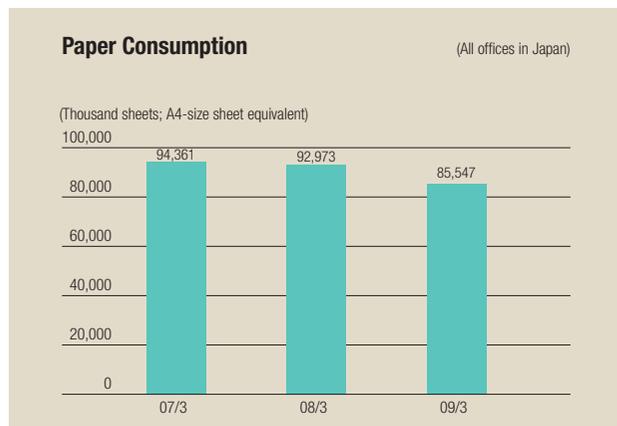
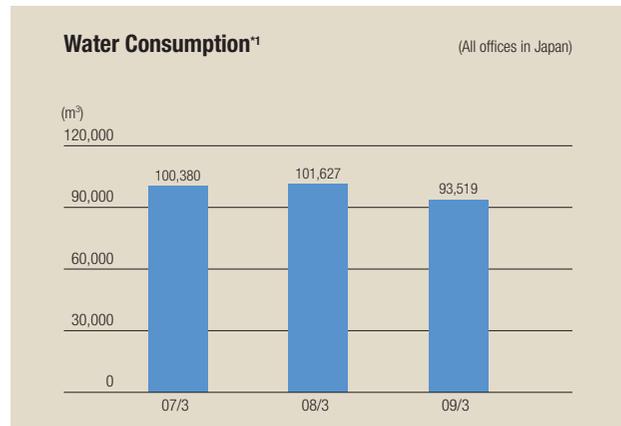
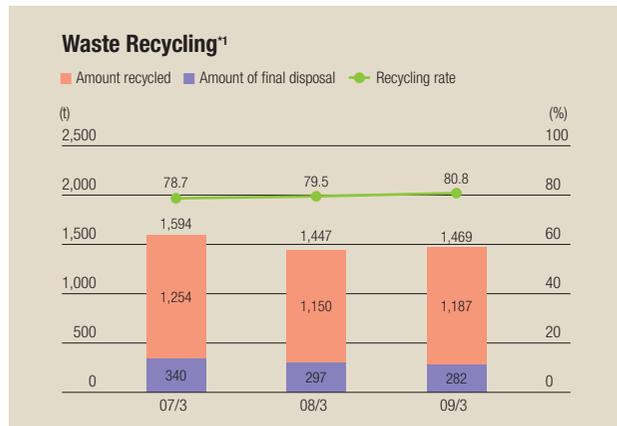
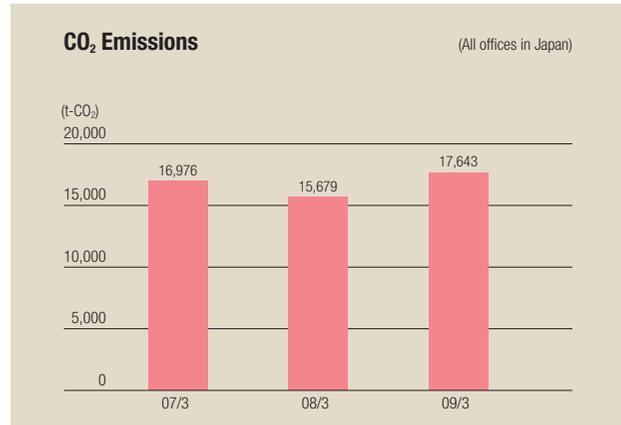
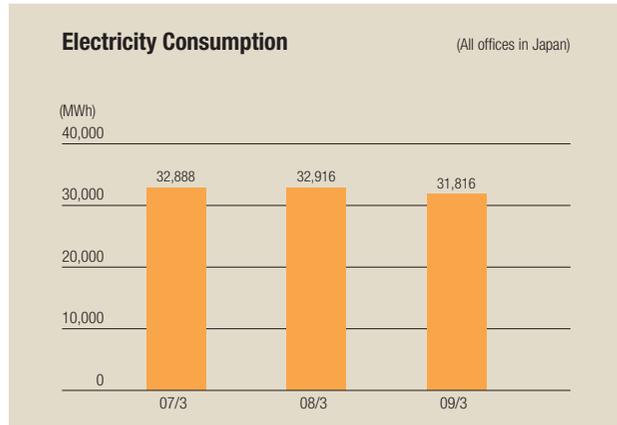
## Raising Environmental Awareness of Executives and Employees

### Mitsui Environment Month

From the fiscal year ended March 31, 2009, Mitsui has designated June as Mitsui Environment Month, with the objectives of heightening the interest and understanding of environmental issues among all Mitsui employees and providing an opportunity

to conduct various activities, including holding lectures and offering courses, to promote environmental protection. Thereafter, beginning in September 2008, Mitsui held a total of four environment-related seminars every two months for employees of Mitsui and its subsidiaries. During the June 2009 Mitsui Environment Month, plans call for holding lectures, offering programs that will provide firsthand experience, and other activities.

## Environmental Impact of Offices



## Environmental Conservation Costs

(Unit: ¥ thousand)

Category	Investments	Expenses
Business area costs	0	774,663
Upstream/downstream costs	0	98,160
Administration costs	0	793,953
R&D costs	0	0
Social activity costs	0	714,018
Environmental remediation costs	0	306,270
Total	0	2,687,064

Notes: 1. In last year's CSR Report 2008, figures for electric power use, CO<sub>2</sub> emissions, volume of waste recycled and final waste disposal, and water use are for the following Mitsui-owned buildings and exclude usage by tenants: Mitsui & Co., Head Office Building; Nagoya Building (Chubu Branch); Toyoda Building (Toyoda Branch); and the Osaka Building (Kansai Branch). Figures for the CSR Report 2009, including data for years prior to 2009, are for 100% of these indicators and include usage data for Mitsui and tenants.

2. The principal reason for the increase in CO<sub>2</sub> emissions was a change in the coefficient applied in calculating such emissions accompanying a change in the electric power supplier.

Compiled based on the Environmental Accounting Guidelines (2005 version) established by the Ministry of the Environment of Japan

Offices covered: All offices in Japan

Target period: April 1, 2008–March 31, 2009

## Initiatives for Compliance with Environmental Regulations (Revised Law Concerning the Rational Use of Energy, Waste Disposal and Public Cleaning Law, and REACH)

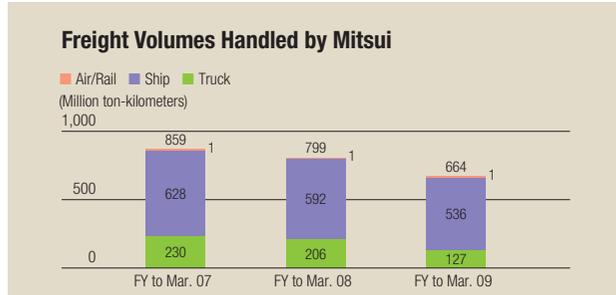
### Response to the Rational Energy Use Law

In view of the coming into effect of the Kyoto Protocol (which aims to prevent global warming, the tightness of energy supply conditions in recent years, and other issues related to energy), Japan's previously existing Law Concerning the Rational Use of Energy (Rational Energy Use Law) was revised and went into effect on April 1, 2006.

To comply with this revised law and contribute to environmental preservation, Mitsui observes the Revised Law Concerning the Rational Use of Energy and is implementing policies to improve the use of energy in its transport operations. Under the law, Mitsui is a Designated Shipper and responds based on calculation of its total amount of freight, which includes Mitsui-owned cargo as well as freight for transportation in Japan arranged by Mitsui.

We handle a diverse range of freight, including iron and steel, other metals, chemical products, and foods. By mode of transportation used, on a ton-kilometer basis,\* about 70% or more of this is transported by ship, 25% or more by truck, and the remainder by rail or airplane.

\* Ton-kilometers are calculated by multiplying the number of metric tons of cargo transported by the distance they are transported (in kilometers).



On becoming a Designated Shipper and to meet the requirements of the Revised Rational Energy Use Law, we have carried out a broad array of company-wide initiatives to rationalize the use of energy in our transport business. These include improving our response structure and holding seminars on related matters.

To rationalize our energy use as a cargo carrier and implement measures to conserve energy, we engage in management activities to improve energy consumption based on ISO 14001 environmental management systems. Specifically, each business unit is responsible for formulating and implementing energy reduction plans\*. The Logistics Management Division, the administrative body for this process, supports the business units by consulting with government and administrative agencies, compiling data, conducting checks based on the PDCA cycle, and holding seminars on the revised law for shippers and logistics companies. Support is also provided by the CSR Promotion Division, which is responsible for overall company-wide environmental management systems. Under this response system, we are making steady progress toward energy conservation.

\* Plans are prepared on an annual basis, with monthly status reports.

### Energy Reduction Policy

- **Selection of transportation method**
  - Use of railways, shipping (modal shift)
  - Use of sophisticated freight services
- **Measures to improve transportation efficiency**
  - Use of shared/mixed loading
  - Selection of appropriate vehicle class
  - Optimization of routing and method
  - Scaling up of vehicle size
- **Alliances between transportation service providers and users**
  - Review of distribution frequencies
  - Adoption of coordinated logistics planning
- **Measures to increase fuel efficiency**
  - Eco-drive driving techniques
  - Installation of fuel-saving equipment

### Results for Fiscal Year Ended March 31, 2009 and Plan for Fiscal Year Ending March 31, 2010

Specific consumption, fiscal year ended March 31, 2008	24.4
Specific consumption, fiscal year ended March 31, 2009	17.6
Percentage improvement	27.9% YoY
Expected energy reduction effect in kl of oil	71 (initially expected figure: 156)
Target specific consumption, fiscal year ending March 31, 2010	15.1

Notes: 1. Plan is as provided to the Kanto Bureau of Economy, Trade and Industry in June 2009.

2. Specific consumption: An expression of energy efficiency, calculated as energy used (liters of oil equivalents) divided by thousand ton-kilometers, where a smaller number represents higher transportation efficiency.

### Compliance with the Waste Disposal and Public Cleaning Law

The Waste Disposal and Public Cleaning Law (referred to as the Waste Disposal Law or Waste Law) went into effect on December 25, 1970. However, in recent years, it has been revised almost on an annual basis. Contents of the revisions have included mainly measures to clarify and increase the responsibilities to be borne by parties disposing of waste and place additional restrictions on companies providing waste disposal services. Accompanying these revisions, penalties have become extremely severe. Based on these revisions, companies providing waste disposal services are required to take responsibility for disposing of waste in a proper manner (the responsibility of waste disposal companies).

Mitsui observes the Waste Disposal Law and disposes the industrial wastes and other business-related wastes that are by-products of its activities in an appropriate manner. To provide support for related business units, the Logistics Management Division prepares process flows for disposal of industrial waste and other business related wastes as well as answers to frequently asked questions related to waste disposal.

### Responding to EU REACH Regulation

REACH is the abbreviation for "registration, evaluation, authorization, and restriction of chemicals," which is a system of regulations developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH law was approved by the European Parliament on December 18, 2006 and went into effect on June 1, 2007.

Under these regulations, compliance with the REACH law is required of all related businesses manufacturing in or importing into the EU. Mitsui has worked in cooperation with its overseas offices (in Europe) to complete a database on the relevant chemical substances and to structure systems to confirm compliance with REACH regulations.

We completed preparatory registrations related to these regulations in 2008 and are working to complete final registrations by the end of 2010.

## Environment-Related Business

Mitsui & Co., Ltd., which carries out a broad spectrum of business activities throughout the world, incorporates contributing to the provision of industrial solutions to environmental issues in its Environmental Policy Action Guidelines, and is pursuing the development of a wide range of environment-related businesses.

## Renewable Energy

	Business investment	Country	Generating capacity/Scale
1. Solar power generation business	IPM Eagle Desarrollos Espana, S.L.	Spain	1.5MW
	Haneda Solar Power Co., Ltd.	Japan	2MW
2. Wind power generation business	Brazos Wind, LP	U.S.A.	160MW
	Bald Hills Wind Farm Pty Ltd.	Australia	104MW (planned)
	Zajaczkowo Windfarm Sp.	Poland	48MW
	NS Wind Power Hibiki Co., Ltd.	Japan	15MW
3. Biomass power generation business	Green Power Ichihara Co., Ltd.	Japan	50MW
	Gulf Electric PCL	Thailand	20MW
4. Bioethanol production business	The Andersons Albion Ethanol LLC/Clymers Ethanol LLC, The Andersons Ethanol Investment LLC	U.S.A.	1,050,000/year
5. Other biomass-related business	Sale of pour point depressant for biodiesel fuel (U.S.A., EU)		

## CDM (Clean Development Mechanism) Projects (including projects in application stage)

Project	Country	CO <sub>2</sub> emissions reduced
China Fluoro Technology Co., Ltd. HFC23 Abatement Project	China	4,250,000 tons/year
Guangdong Shenzhen Qianwan LNG Generation Project	China	1,000,000 tons/year
Tiefa Coal Industry Group CMM Utilization Project for City Gas	China	800,000 tons/year
Hydro-electric power plant project in the Sando Bay area of China's Gansu Province	China	241,000 tons/year
N2O reduction project at a nitric acid plant in Deepak, India	India	500,000 tons/year
Lepanto Landfill Gas Management Project	Chile	200,000 tons/year
Methane gas recovery project at swine farms on Noblan Island in Indonesia	Indonesia	100,000 tons/year
13 other projects		1,465,000 tons/year
Total of 20 projects		9,540,000 tons/year

## Recycling

Business investment	Country	Main business	Scale
Mitsui Bussan Metals Co., Ltd.	Japan	Trading of ferrous/non-ferrous metal scrap and Environmental solutions business	5,700,000 tons of ferrous/non-ferrous scrap handled
Sims Metal Management Ltd.	Australia, etc.	General recycling business (metal scrap, consumer electrical appliances recycling, etc.)	16,000,000 tons of metal scrap, 500,000 tons of consumer electrical appliances recycled, etc.
Kyoei Recycling Co., Ltd.	Japan	Industrial waste processing and gas production by gasification fusion furnace	Processing capacity of 2,800 mt/year, 140,000 Nm <sup>3</sup> /day

## Modal Shift, Rolling Stock Leasing

Business investment	Country	Main business	Quantitative effect (annual CO <sub>2</sub> emissions)
Tri-net Logistics Co., Ltd.	Japan	Tokyo Bay barge transportation (Ichihara to Yokohama)	91% reduction in CO <sub>2</sub> emissions compared to truck transportation
Mitsui & Co, Ltd.	Russia	Russia-Siberia rail transportation	30%-40% reduction in CO <sub>2</sub> emissions compared to marine transportation (Mitsui calculation)
Mitsui Rail Capital, LLC	North America	Railway freight car leasing business	—
Mitsui Rail Capital Europe B.V.	Europe	Railway locomotive leasing business	—
Mitsui Rail Capital Participações Ltda	Brazil	Railway freight car leasing business	—

## Tree Plantation

Business investment	Country	Scale (*target)
Mitsui's company-owned forests	Japan	44,000 ha
Bunbury Treefarm Project	Australia	20,000 ha*
Green Triangle Treefarm Project	Australia	10,000 ha*
Victoria Treefarm Project	Australia	8,000 ha*
Australian Afforestation Pty., Ltd.	Australia	2,000 ha*
Portland Treefarm Project	Australia	3,000 ha*

## Other Environment-Related Business

Project	Main business
Japan-Australia oxygen combustion CCS verification project	Business participation in joint verification and testing project between Japan and Australia for recovery and underground storage of CO <sub>2</sub> , through the establishment of oxygen combustion boilers at existing coal-fired power plants
Natural gas hydrates	Business participation in NGH Japan Co., Ltd. Proceeding with experiments, testing and viability survey, aiming for commercialization in 2012
Water treatment business	Through subsidiary AtraTech, which is a water treatment engineering company headquartered in Mexico, Mitsui has participated jointly with Mitsui & Co. (U.S.A.) in the sewage processing business in the state of Queretaro de Arteaga in that country and in the effluent processing business for projects of PEMEX, Mexico's national oil company. In addition, in December 2008, an order was received for a sewage processing project from the water utility of the state of Jalisco in Mexico.
Water treatment business in China	Providing advance technologies & products (membrane, carrier, water treatment agent, etc.), specializing in industrial waste water treatment, with a view to future solutions provision services
Sale, design/engineering and installation of photovoltaic modules	Sale of solar power generation modules (trade transactions and domestic sale) and making sales of related systems for domestic and overseas projects
Supply of photovoltaic power generation system to residential, industrial and commercial markets	Business participation in SunWise Technologies LLC (U.S.A.)
Sale of materials and equipment for solar cell batteries	Structuring global systems for the stable procurement and supply of the principal materials and equipment for solar batteries and solar battery modules
Clean-tech venture capital investment business	Capital participation in Solaix, Inc. (a U.S. solar cell Si wafer manufacturer), NanoGram Corporation (a U.S. thin silicon solar cell manufacturer), and FIS Inc. (a Canadian manufacturer of hydrogen and other gas sensors)
High pressured tank for NGVs, FCVs and for H <sub>2</sub> Storage	Import and sale of fuel tanks for natural gas vehicles and fuel cell vehicles, and hydrogen storage tanks for future development of hydrogen infrastructure.
Rooftop gardening, green wall building	Proposal sales of greening (landscape) related materials and development of sales business for greenery to improve the environment through Mitsui Bussan Agro Business Co., Ltd. (Japan)
Double-layer electric capacitor business	Participation in Power System Co., Ltd.
Energy-efficient lighting (organic electroluminescence)	Giving consideration to commercialization through Lumiotec Co., Ltd.
Smart Office Environment Consortium	Consortium with 36 members at present, initially established by Doshisha University, Oki Electric Industry Co., Ltd., Panasonic Electric Works, Ltd., Hitachi, Ltd. and Mitsui Global Strategic Studies Institute. Seeks to ensure comfortable and energy-efficient office environments
Building energy conservation engineering business in China	Pursuing energy conservation through building multidiscipline engineering

## Mitsui's Forest Management — A Century of History, Another Century to Come

Mitsui's forestry cultivation activities began in Japan's Meiji Period (1868 to 1912), more than a 100 years ago, and its forestlands have been handed down with care from generation to generation. The task of protecting and nurturing forests is never-ending. We are looking ahead to our next 100 years of forestry cultivation with the aim of passing on our forestlands to generations to come.

### Mitsui's Involvement in Forestry

Mitsui has company-owned forests in 73 locations throughout Japan, from Hokkaido to Kyushu, covering a total area of approximately 44,000 hectares, one of the largest holdings of forestland of any private-sector company in Japan.

Our involvement in company-owned forests dates back to the turn of the 20th century, when the former Mitsui began to acquire felling rights for standing lumber for its lumber business. Subsequently, as the business grew, we acquired forests in Hokkaido and then Honshu. Since the mid-1950s, we have actively engaged in afforestation in line with the principle of "Mitsui taking the initiative and showing the actual results of tree-planting, thus contributing to the creation of future company assets and also conforming with government policy." The lumber was used mainly as construction materials, thus contributing to Japan's postwar recovery. The liberalization of lumber imports began in the 1960s, and by the early 1980s lumber prices were so low that our forestry business had lost its commercial feasibility. Nevertheless, Mitsui has continued to manage, maintain, and preserve its company-owned forests.

### Plant, Cultivate, and Use

To ensure the sustainability of our company-owned forests, we are currently working together with the employees of our subsidiary Mitsui Bussan Forest Co., Ltd., which has 71 employees, to continuously maintain our forests.

Around 40% of our company-owned forests are artificially planted forests, while the remaining approximately 60% are natural forests. We classify them into five categories, in accordance with future plans. Our artificially planted forests are classified into two categories: *rotation plantation areas* (accounting for approximately 8,500 hectares), in which trees are felled, planted, and cultivated in rotation, and *natural forest transformation areas* (approximately 9,300 hectares), in which the transformation to natural forests is promoted. Our natural forests are divided into three categories: *natural forest development areas* (approximately 1,400 hectares), for the purpose of preservation of useful tree species found there; *unique natural forest preservation areas* (approximately 500 hectares), for the purpose of preservation of the natural scenery and so forth; and *other natural forest areas* (approximately 24,300 hectares). We endeavor to manage each forest type efficiently in accordance with its classification.



Observing nature during "Feel the Forest and Nature" forest experience program (Namba forest, Niigata)



As part of the forest environmental program, Mitsui employees create paths in the forests (in the Kameyama forest in Chiba Prefecture).

We have been able to maintain healthy forests, by carrying out maintenance, such as weeding and pruning, in the growth processes of trees in both our natural and artificially planted forests, and through regular tree felling and planting in our artificially planted forests classified as *rotation plantation areas*. We spent around ¥860 million on such forest maintenance during the fiscal year ended March 31, 2009. Furthermore, in December 2006, we acquired SGEC certification,<sup>\*1</sup> a type of forest certification, for all 73 company-owned forest locations, and we have been incorporating new forest management that takes into account such concepts as biodiversity, based on the forest management methods advocated by the SGEC.

Looking ahead, we intend to strive to ensure that the parts of felled trees not being used as lumber are effectively used as sustainable resources, such as for production of biomass energy fuel. We are also actively researching the important issues facing the next generation and putting some of these research results into practical use.

<sup>\*1</sup> The Sustainable Green Ecosystem Council (SGEC) certification scheme was created to improve the level of forest management in Japan in order to preserve Japanese forest environments. The SGEC was established by the Japan Forestry Association.



### Benefits Generated by Mitsui's Forests

As well as generating wood, a sustainable natural resource, through appropriate management and maintenance, forests perform significant public functions, including absorption of carbon dioxide, cleansing of the atmosphere by supplying oxygen, and replenishment of water resources through the purification of rainwater retained by forest soil. Mitsui's company-owned forests are said to absorb and fix approximately 16,000 tons of carbon

### Appraisal Value of Public Functions of Forests

Multifaceted functions	Appraisal amount (Japan)	Appraisal amount (Mitsui)
Absorption of carbon dioxide	¥1,239.1 billion	¥2.2 billion
Alternative energy to fossil fuels	¥226.1 billion	¥0.4 billion
Prevention of surface erosion	¥28,256.5 billion	¥49.5 billion
Prevention of landslides	¥8,442.1 billion	¥14.8 billion
Flood mitigation	¥6,468.6 billion	¥11.3 billion
Retention of water resources	¥8,740.7 billion	¥15.3 billion
Water purification	¥14,636.1 billion	¥25.7 billion
Recreation Calculation based on vacations taken to enjoy nature environment	¥2,254.6 billion	¥4.0 billion
Total appraisal value	¥70,263.8 billion	¥123.2 billion

Source: Annual Report on Trends of Forests and Forestry (FY2008) issued by Forestry Agency.

Note: Appraisal values for Mitsui are calculated by multiplying the appraisal values for Japan as a whole that are contained in the Annual Report on Trends of Forests and Forestry (FY2008) issued by Japan's Forestry Agency by the percentage of total forestland that is owned by Mitsui. Mitsui's "Total appraisal value" is the simple sum of assessments for each of Mitsui's forest areas.

dioxide annually,<sup>\*2</sup> and, based on the appraisal value of the public functions of all forests throughout Japan as outlined in the Annual Report on Trends of Forests and Forestry (FY2008), issued by Japan's Forestry Agency, the total appraised value of the public functions of Mitsui's forests is estimated to be around ¥120 billion annually. On the environmental front, we see our company-owned forests as a resource with significant public value, and we consider it an important social responsibility to maintain and manage them from a long-term perspective and appropriately preserve their functions and value.

<sup>\*2</sup> Carbon dioxide sequestration (CO<sub>2</sub> equivalent) / year = Annual tree trunk growth x tree volume x carbon conversion x ratio of trunk to total tree biomass x carbon-carbon dioxide conversion rate

### Nurturing the Future through Our Forests

As well as being beneficial for environmental conservation, Mitsui's company-owned forests have a role to play in raising people's environmental awareness. In 2004, we started to provide tree-planting and other programs in our company-owned forests as part of training for new hires, using our forests as places for employees to develop appropriate environmental awareness and as an aid to developing their attention to corporate social responsibility. Furthermore, as part of our social and community contribution activities, since 2007 we have been actively providing forest-based eco-programs for various stakeholders using our company-owned forests at six locations throughout Japan. The programs we provide include "Feel the Forest and Nature," a forest experience program for elementary school students from cities and local residents in the vicinity of the company-owned forests to enable them to commune with and enjoy nature, and a program for Mitsui shareholders to learn about the precious value of forests and the preservation and utilization of Mitsui's company-owned forests. These programs make the maximum use of the distinctive features of our various company-owned forests.

We have also begun new types of initiatives for contributing to the local community and are playing our part in preserving the traditions and customs of Kyoto. An example is our conclusion of an agreement in August 2008 to provide part of Kiyotaki forest in Kyoto Prefecture as one of the venues for the Kyoto Model Forest Movement, an initiative of Kyoto Prefecture and the Kyoto Model-Forest Association to preserve and nurture the forests of Kyoto.

In the months and years to come, we intend to further enhance the lineup of our forest-based eco-programs, and contribute to local communities through the use of our company-owned forests.

Based on our corporate mission of "contributing to the creation of a future where the dreams of the inhabitants of our irreplaceable earth can be fulfilled," we will continue to preserve Mitsui's company-owned forests and pass them on to the next generations.

## Mitsui's Human Resource Development

Mitsui, with its long history and traditions, has held the belief that human resources are its greatest asset and has maintained its objective of training and developing human resources who can contribute to society. This is why it is often said that "Mitsui is people". To implement its corporate philosophy and continue to contribute to society through generating Yoi-Shigoto (good quality work), one of the most important tasks is for Mitsui to continue to raise the quality of individual personnel through human resources training and development activities.

### Key Elements of Mitsui's Human Resource System

Since the founding of the former Mitsui, more than 130 years ago, Mitsui has maintained the belief that "human resources are our greatest asset," and placed a set of values on "open-mindedness" and "challenge and innovation". Mitsui's human resource system emphasizes these qualities as it strives to be a company where employees are motivated to work with vitality. Mitsui positions its human resource system as a "means for fulfilling its corporate mission and realizing its management philosophy" and focuses on the following three key policies.

#### ❶ Dissemination of Mitsui's Management Philosophy Comprising Its Mission, Vision and Values (MVV)

Through introducing an appraisal standard that does not focus simply on short-term quantifiable performance, but places

importance on how an employee's work contributes to achieving our management philosophy over the medium-to-long term in the personnel system, we will ensure thorough dissemination and sharing of our MVV broadly among employees.

#### ❷ Development of Human Resources

We will develop human resources who can take the leadership in implementing our management philosophy.

#### ❸ Appropriate Appointment and Allocation of Personnel

We appoint and allocate human resources appropriately from a companywide perspective, based on the sharing of personnel information among departments.

### Human Resource Development

#### Mitsui & Co.'s View on Human Resource Development

Mitsui & Co. includes focusing on human resources in its management philosophy and regards developing talented human resources as a priority mission. As the phrase "the individual builds the business, and the business cultivates the individual" implies, the venue for developing such human resources sustainably is our employees' work sites. The two cornerstones of our human resource development are all employees approaching their work proactively and responsibly on a daily basis, striving to embody Mitsui & Co.'s management philosophy (MVV), and on-the-job training (OJT) comprised of guidance and development by supervisors and experienced staff with an awareness of "open-mindedness," a key company value.

To support and supplement human resource development through OJT, the Human Resources & General Affairs Division as well as corporate staff divisions and business units design and implement off-the-job training, such as our system to dispatch employees to business education programs and various other forms of training.

#### Human Resource Development Programs

We view our programs, from hiring and introductory training through to management and leadership training, as a continuum for developing and training management personnel. We hold more than 200 training sessions annually, including about 90 professional training sessions a year for the improvement of employee expertise in diverse areas. Our diverse global training system is spearheaded by a venerable overseas training program dating back to 1891, which facilitates learning foreign languages and business culture, and it also includes courses at universities in Japan and overseas; business school training; overseas language study; training involving personnel interchange with other industries; and other training activities. We also encourage all employees to actively avail themselves of the broad range of programs on offer globally by publishing pamphlets once a year that describe the principles underlying human resource development at Mitsui & Co. and outline program objectives. This information is also available on the company intranet.

### Development of Human Resources for Management on a Global Group Basis

We believe that the development of human resources at our Group companies is essential for supporting our consolidated global management. Based on this philosophy, we provide the necessary training at each company and level. Moreover, we have made arrangements for Group company staff to participate in in-house training courses, such as those provided at Bussan Academy and our Financial Accounting Course. In addition, through our management training and leadership training courses, we offer support for the development of human resources to assist and create personnel networks.

Mitsui & Co.'s head office also concentrates on training staff hired overseas, with the objective of promoting global Group management. Over the past four years, more than 20 staff members from overseas regional business units have been dispatched to the head office for medium- and long-term training lasting more than one year. Also, more than 300 personnel have attended training courses under our short-term training programs of up to one year, which began on a full-scale basis in 2002. Similarly, for the training of future leaders for overseas operations who will be responsible for consolidated global management, we began the Global Manager Program during the fiscal year ended March 31, 2008.

### Main Human Resource Development Programs

#### Development and Training for Management Personnel

- Introductory Training for Newly Hired Managerial Employees
- Basic Business Course (core lectures, basic terminology test)
- Basic Business Course (basic knowledge)
- Financial Accounting Training (for managerial employees in their second year)
- Training for Newly Appointed Managerial-Level Personnel
- Training for Newly Appointed Division General Managers
- One-on-One Leadership Training (training for personnel involved in the development of new employees)
- Introductory Training for Mid-Career Hires
- Training for Corporate Officers of Group Companies
- Cross-Industry Exchange Training

#### Professional Training and Others

- Skill Improvement Training for Administrative Employees
- Training to Support Managers Changing Assignment (group training)
- Training on Trade Practices
- Basic Training on Business Processes
- Bussan Academy
- Financial Accounting Course
- Life Planning Training
- Introductory Training for Mid-Career Hires
- Self-Development Support Program (e-learning and school learning)

## Diversity Management Initiatives

Mitsui aims to be a company with comprehensive business engineering capabilities on a global basis, and is pursuing diversity management initiatives as an important corporate strategy for achieving organizational change and realizing the creation of new value.

### Promoting Globalization of Human Resources

To develop business activities that are spread over activity domains in global growth markets and put down deep roots in those areas, it is essential to draw on the capabilities of personnel who are thoroughly familiar with countries and regions around the world. In addition, to respond appropriately in a management environment where change never stops and continue to generate Yoi-Shigoto, we must draw on the combined capabilities of a diverse range of human resources. We are also working to create a corporate culture and systems where top-quality personnel from throughout the world can be active on a continuing basis.

### Helping Our Female Employees to Realize Their Full Potential

About 25% of all of Mitsui's personnel are women, and Mitsui assigns these individuals to positions and activities that are suited to their duties, abilities, and aptitudes without differentiation by gender. In hiring new employees, from 1992 onwards, Mitsui has employed women in mainstream career paths. We have created an environment characterized by job rotation and workplace exchange, along with training and other programs, where women can be more active.

It is true, however, that many issues still remain for female employees wishing to continue working, and in order to resolve these issues, the Diversity Promoting Department plays a central role in pursuing initiatives for promoting changes at both the systems level and in the corporate culture.

## Creating a Good Work Environment

We consider it very important to improve the work environment to enable all employees—the leaders in our efforts to generate Yoi-Shigoto (good quality work)—to achieve a work-life balance and work with a sense of job satisfaction and peace of mind.

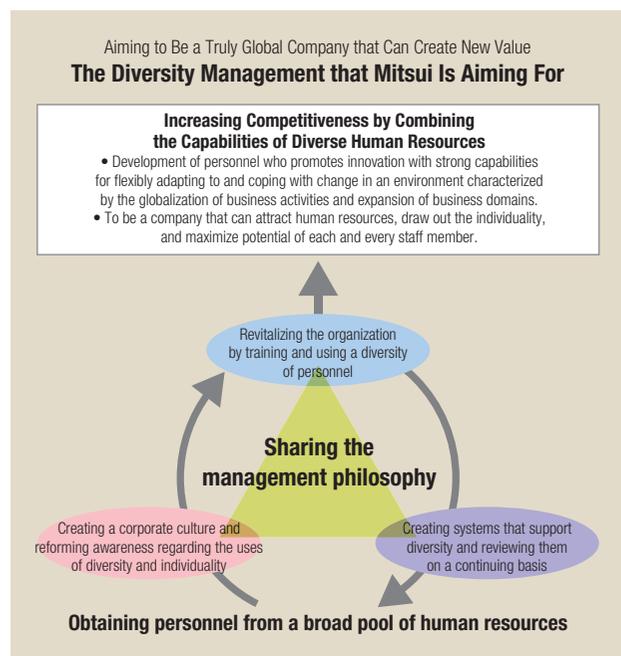
Mitsui employees and their families perform indispensable roles, as employees, and as members of families and society, depending on their various life stages and circumstances in their families and homes. We are developing systems and providing information to employees through the company intranet and employee magazine, with the aim of creating workplaces where it is possible to maintain a balance between our work and the various requirements and challenges in our lives.

### Addressing the Issue of Long Working Hours

At Mitsui & Co., Ltd., we have been addressing the issue of employees' long working hours and overtime, from perspectives

### Hiring of Disabled Persons

In accordance with the then Law for the Employment Promotion of the Disabled, in 1981, we established Mitsui Bussan Business Support Co., Ltd., a trailblazing special-purpose subsidiary for the employment of people with disabilities. We have expanded the scope of operations from printing and mailing to include systems development, data entry and processing, and travel agency services, and for over 20 years have exceeded the statutory ratio for employment of people with disabilities. As of April 2009, our employment ratio was 2.21%.

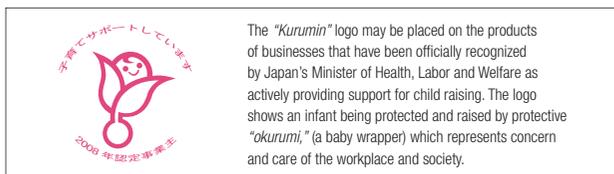


that include health management, and have established a Labor-Management Committee to determine the situation with regard to overtime and address this issue.

To ensure appropriate time management, we have created materials to enable the understanding of the actual situation with respect to overtime in each division and an in-house manual related to overtime, while also publicizing and providing guidance on laws and regulations that should be complied with throughout the Company. Such measures have been beneficial in addressing the issue of long working hours. We are encouraging employees to take their annual paid leave and use the planned leave system, to reduce total working hours and prevent health problems. We also provide access to on-site medical advisors for our domestic employees who work long hours, and develop proposals for improving the situation, based on the Occupational Health and Safety Law of Japan.

### Childcare and Family Care Support

To provide support for childcare and family care, Mitsui has introduced a system for taking leaves for these purposes, working shorter hours, and providing for flexibility in working hours. The changes made in related systems have included making childcare leave partially paid and relaxing the eligibility requirements to allow employees to take childcare leave even if their spouse is a full-time housewife or househusband, and it has encouraged male employees to take childcare leave. Furthermore, to support a smooth return to work, we have established a company nursery, the Karugamo Family Nursery, within the Company's head office in Tokyo. As a result of this series of policies and initiatives, we have been recognized by Japan's Minister of Health, Labor and Welfare as a company that is actively providing support for child raising.



### Employees Taking Childcare or Family Care Leave

		FY07/3	FY08/3	FY09/3
Childcare leave	Male	0	3	5
	Female	24	32	40
Family care leave	Male	1	0	0
	Female	0	5	1
Short working hours for child raising	Male	2	6	9
	Female	47	84	75

### Initiatives to Promote Health

Mitsui encourages its employees to have periodic health check-ups and, for those 35 years of age and older, arranges for detailed health examinations with the aim of discovering and preventing health issues. In addition, Mitsui plans and implements a range of programs to keep employees in good health. During the fiscal year ended March 31, 2009, Mitsui prepared its Basic Policy for Health Management and issued the message "We should all protect our health on our own initiative, and the Company will support us by creating an environment conducive to good health by implementing various measures." Mitsui also endeavors to create a stronger awareness of health maintenance and improvement among employees by holding health-related seminars.

### Mental Health

For employees and managerial-level staff suffering from mental disorders, excessive stress, and other mental health issues, Mitsui has provided a consultation room within its in-house health facilities where they can receive guidance and support from doctors, other medical specialists, and nurses. In addition, for newly employed personnel and line managers, we provide mental health training on a continuing basis. We also provide for consultation services outside the Company and have made arrangements not only for employees to take advantage of these services but also members of their families as well.

### Joint Efforts with Labor Unions

Mitsui formed a Labor-Management Committee in 2005 with the aim of providing a forum where employees could discuss the creation of environments that are conducive to productive work. This committee is continuing to discuss such issues as reducing long working hours and expanding related systems.

## Employment Information

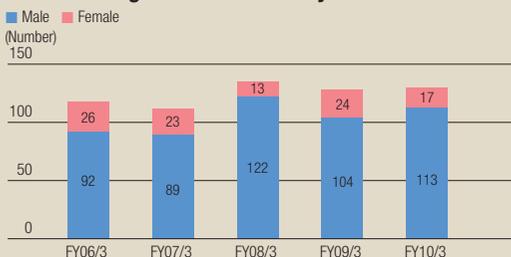
### Mitsui Employees by Gender (as of Apr. 1, 2009)

The number of employees on a non-consolidated basis as of March 31, 2009, was 5,886. (not including persons in administrative staff positions and contract employees)

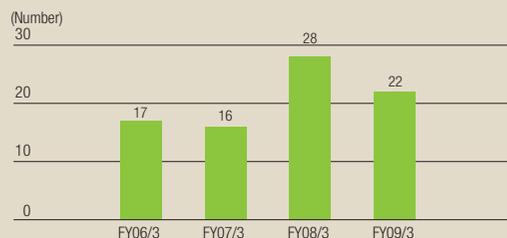
Male: 4,571  
(77.7%)

Female: 1,315  
(22.3%)

### Mitsui's Hires of New Graduates for the Managerial Career Path by Gender



### Mitsui's Mid-Career Hires



Note: From the year ended March 31, 2009, Mitsui resumed hiring for administrative positions and added 39 new employees in this category.

## Social Contributions

The role that Mitsui, as a general trading company, should play in resolving various social issues and meeting the expectations of society is certainly not small.

Mitsui aims to perform social contribution activities that transcend its business functions, and is developing various initiatives with the participation of employees in each region.

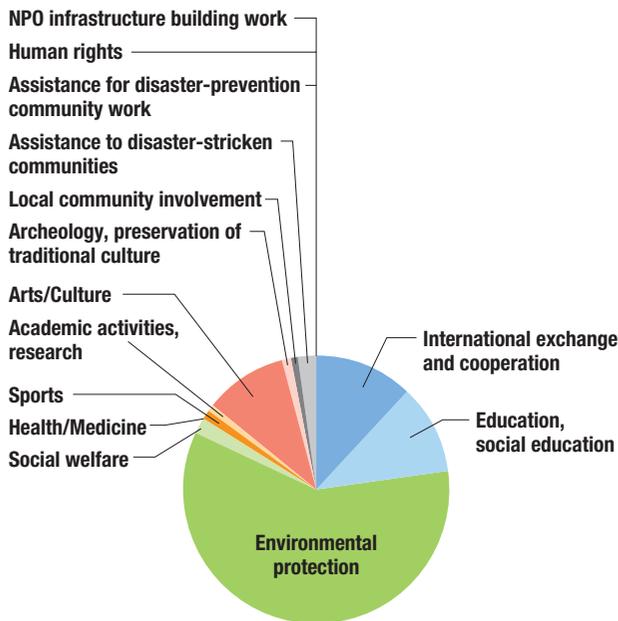
### Social Contributions Policy

In pursuing CSR-oriented management, we are required to give full consideration to our economic role and social raison d'être, and contribute to society not only through our business but also through activities that transcend our business functions. From this standpoint, we reviewed how we should conduct our social contribution activities and in January 2007 partially revised our Social Contributions Policy (please refer to page 11).

We also formulated the Operational Guidelines for Social Contributions Policy for putting this policy into practice, stipulating our social contribution framework, project selection guidelines, promotion systems, and activities for providing support during natural disasters. Through this, we aim to make social contributions that are more worthy of Mitsui than ever before.

#### Social Contributions (Fiscal Year Ended March 31, 2009)

The breakdown of social contribution expenses,\* which totaled ¥1,870 million on 435 activities, is shown below. Percentages are based on monetary amounts.



\* Includes expenses (amounting to ¥430 million) for maintenance and management of company-owned forestlands

Activity Category	Number of Activities	Percentage (Monetary Amounts)
International exchange and cooperation	44	12%
Education, social education	86	11%
Environmental protection*	45	59%
Social welfare	54	2%
Health and medicine	12	0%
Sports	13	1%
Academic activities, research	15	1%
Arts and culture	73	10%
Archeology, preservation of traditional culture	3	1%
Local community involvement	69	1%
Assistance to disaster-stricken communities	8	2%
Assistance for disaster-prevention community work	6	0%
Human rights	4	0%
NPO infrastructure-building work	3	0%
Total	435	100%

## Social Contribution Activities

Mitsui has identified three areas of focus (namely, international exchange, education, and environment), and is conducting social contribution activities that transcend its business activities in these areas. The principal activities conducted to date include the following.

Category	Activity	Period	Description
Elementary Education	Support for the education of Brazilian children living in Japan	2005 to the present	Activities to support education of Brazilian children in Japan. For further details, please refer to page 39.
	Library donation project in Thailand	2006 to the present	Under this project, we select elementary schools in Thailand where school facilities are inadequate and make donations of library facilities and books. The content of these donations is decided by Mitsui Thailand employees and selected to match the needs of individual schools.
Foundations and Scholarships	The Trade Promotion Foundation	1927 to 1947, 1988 to the present	This foundation was established to commemorate the 50th anniversary of the former Mitsui. Activities were suspended after World War II, but began again in 1988 and include providing scholarships and accommodation to students from China, South Korea, and other countries. Through the fiscal year ended March 31, 2009, the foundation had provided assistance to 253 students.
	Mitsui Educational Foundation (Australia)	1971 to the present	Every year, the foundation sends Australian students to Japan for training periods of about three weeks. The training sessions cover Japanese culture, history, industry, and other topics. During the fiscal year ended March 31, 2009, 10 students participated in this program, and, over the past 37 years, a total of 289 students have taken part in these activities.
	The Mitsui Canada Foundation	1981 to the present	This foundation provides donations aimed at promoting culture and education. Specifically, donations are made for (1) Japanese-language related activities (Japanese speech contests and other activities) and (2) the Japanese Cultural Center, United Way, and other activities contributing to local communities.
	The Mitsui USA Foundation	1987 to the present	This fund promotes the social contribution activities of Mitsui USA. For further details, please refer to page 40.
	Mitsui Scholarship Fund	1991 to the present	This fund was established at the National University of Singapore to commemorate the 100th anniversary of the founding of the Singapore Branch, and it provides support to university students studying Japanese for short-term periods of study in Japan.
	Mitsui NUS Japanese Studies in Southeast Asia Endowment Fund	2007 to the present	This fund provides contributions to promote the organization of Japan academic research associations in Southeast Asia and the interchange of students among universities in the region.
	Mitsui-Bussan Scholarship Program for Indonesia	1992 to the present	This fund selects high school students in Indonesia and provides them with tuition fee and living expenses in Japan for five and a half years (one and a half years at a Japanese-language school and four years at a university). For further details, please refer to page 40.
	The Mitsui Bussan do Brasil Foundation	2008 to the present	In 2008, the foundation provided assistance for two activities, namely: the <i>Kaeru</i> Project and Mitsui-endowed lecture programs at the University of Sao Paulo. For further details, please refer to page 39.
Mitsui-Endowed Lecture Programs	Peking University, China	2006 to 2015	The lecture program "Peking University/Mitsui Innovation Forum" has been held under the endowment. For further details, please refer to page 40.
	Fudan University, Shanghai, China	2005 to 2011	Mitsui established an endowment lecture program at the Japan Research Center at Fudan University with the aim of promoting better understanding of Japanese society and culture in China, strengthening the friendship between Japan and China, and contributing to the expansion of international exchange. There are also other initiatives, including the endowment of public lectures, and thesis writing competitions.
	Saint Petersburg State University, Russia	2007 to the present	Lectures are sponsored for students, mainly those attending the Department of East Asian Studies at Saint Petersburg State University. For further details, please refer to page 40.
Environment	Mitsui & Co., Ltd., Environment Fund	2005 to the present	Supporting initiatives, including activities and research targeted toward the solution of global environmental problems. For further details, please refer to pages 41–42.
	Maintenance and preservation of company-owned forests	1906 to the present	For further details, please refer to the section Mitsui's Forest Management on pages 31–32.
	Forest-Based Eco Program in Mitsui's Company-Owned Forests	2007 to the present	For further details, please refer to the section Mitsui's Forest Management on pages 31–32.
MDGs* Initiatives	Activities Related to LNG Projects in Equatorial Guinea	2005 to the present	Along with Mitsui's 8.5% investment in Equatorial Guinea LNG Holdings, Ltd., which is that country's first LNG project, it is providing educational programs at local schools related to IT and AIDS as well as installing equipment to provide potable water supplies.
	Doi Tong Development Project in Thailand	1989 to the present	This project has the objective of eliminating the cultivation of narcotic drugs in the northern area of Thailand near the border with Myanmar. We are participating in this project as a shareholder (currently 25%) in the project company, which is centered around the Mae Fah Luang Foundation, which was founded by the late Princess Mother of Thailand.

\* MDGs stand for "Millennium Development Goals" set by the United Nations.

Regarding the activities listed on page 38, the following paragraphs present further details on those the Company is focusing on in particular.

## Elementary Education

### Support for the Education of Brazilian Children Living in Japan

As of the end of 2007, there were about 320,000 Brazilians living in Japan, with approximately 31,000 of school age (ages 5 to 14). Children in this age-group face the problems of not possessing adequate Japanese-language skills and lacking facilities and teaching materials. This leads to truancy, delinquency, and children starting to work from an early age. To address this situation, Mitsui is pursuing the following three projects:

#### 1 Support for Brazilian Schools in Japan

To help children studying at Brazilian schools in less-than-ideal educational circumstances, characterized, for example, by overcrowded classrooms and/or a lack of teaching materials, we donate educational equipment to selected Brazilian schools. Over the four years from 2005 to 2008, we donated education-related items to 30 Brazilian schools in Japan. To select these schools, we received recommendations from the Selecting Committee consisting of Brazilian experts in Japan, such as persons from the Brazilian Embassy, the Brazilian Chamber of Commerce, and other organizations. In carrying out these activities, we received the cooperation of the Action for a Better International Community (ABIC), an NPO under the Japan Foreign Trade Council.

#### 2 Supporting NPO Activities

Mitsui provides support to an NPO that is continuing to assist the Brazilian community in Japan to address such issues as truancy by offering advice, counseling, and other services via telephone.

#### 3 Creating Supplementary Learning Materials

##### for Brazilian Children Living in Japan:

##### Collaboration with Tokyo University of Foreign Studies (TUFS)

Brazilian children attending Japanese public schools frequently take longer to acquire Japanese, resulting in poor grades or non-attendance. To help prevent this, we collaborated with TUFS to develop teaching aids for learning Japanese and mathematics. The materials have been published on the Internet in the website of Tokyo University of Foreign Studies since April 2007.

▶ <http://www.tufs.ac.jp/common/mlmc/kyouzai/brazil/>



Brazilian children living in Japan use this microscope, donated by Mitsui, in their studies.

Since fall 2008, however, many Brazilian workers have lost their jobs in Japan because of the economic crisis, and there have been many instances of their having difficulty in paying their living expenses. As an emergency measure, we have engaged in the following activities.

- Providing short-term work for Brazilians living in Japan at Mitsui's company-owned Sando forest in Mie Prefecture
- Donating four transport containers to an NPO, located in Oizumi-machi in Gunma Prefecture, to convert to living quarters for children not attending schools
- Donating rice gathered by the Mitsui & Co., Ltd., Environment Fund to a settlement of Brazilians in Japan
- Offering support to an NPO that operates a Portuguese-language mobile phone site providing information on public services, job opportunities, and other relevant matters

## Funds and Scholarships

### 1. The Mitsui Bussan do Brasil Foundation

Mitsui Brazil formed the Mitsui Bussan do Brasil Foundation, together with several Mitsui subsidiaries and associated companies, in Brazil in February 2008. This fund provides support promoting the further development of partnership ties between Japan and Brazil by taking initiatives to find solutions to relevant social issues and conduct activities aimed at developing human resources to contribute to ties of friendship between the two countries and expand exchange programs. The first two assistance projects undertaken by the fund were as follows.

#### 1 Kaeru (Going Home) Project

Led by psychologist Dr. Kyoko Nakagawa, this project assists Brazilian children that have returned to Brazil from Japan in adapting to the local schools and communities. A collaboration between the Brazilian NPO ISEC (Instituto de Solidariedade Educacional e Cultural), with which Dr. Nakagawa is associated, and the government of Sao Paulo, the project provides care in the areas of: (1) psychological support (reading materials, counseling, etc.); (2) remedial learning assistance (study groups, supplementary lectures, etc.); and (3) environmental activities (orientation with parents, school counselors and teaching staff, etc.).

#### 2 Mitsui-Endowed Lecture Program at the University of Sao Paulo

Mitsui has established the Mitsui Bussan Lecture Program for Japanese Studies in collaboration with the Institute of International Law and International Relations at the University of Sao Paulo Law School. The purpose of the program, which mainly targets undergraduate students and young researchers of the university, is to deepen understanding of Japanese society and culture and thereby develop people who can contribute to enhancing the friendship and exchange between Brazil and Japan. During the fiscal year ended March 31, 2009, two lectures were held.

## 2. The Mitsui USA Foundation

The Mitsui USA Foundation was established in 1987 to promote the social contribution activities of Mitsui USA, and provides ongoing donations to roughly 35 causes in four areas:

- (1) education, including scholarships for study in the United States to about 40 universities with support provided to about 60 students and lecture programs continued for about 10 years at Baruch College, Columbia University, and John Carroll University,
- (2) community welfare, including support for organizations aiding people with mental disabilities, such as Mercy Home, which provides art and music therapy programs that are held each Saturday for about 40 children suffering from autism,
- (3) arts and culture, including support for artists that contribute to Japan-U.S. cultural exchange, such as the New York Asian Symphony Orchestra, which assists young performers of Asian descent, and
- (4) employee volunteer activities, including matching gifts for employee donations, special gifts to provide disaster relief support, and other activities.

## 3. Mitsui Bussan Scholarship Program for Indonesia

To build substantially closer relationships with Indonesia and help to train personnel who can contribute to development in that country, Mitsui established the Mitsui-Bussan Scholarship Program for Indonesia in 1992.

The program's activities do not stop at providing scholarships, but also include a range of support services that include having the scholarship recipients gather together once a month, providing them with practical advice about living in Japan, and helping them to address issues they may be dealing with. The program is

producing excellent scholars, with 6 of the 21 graduates that had received support as of March 31, 2009, having gone on to receive doctorates. Two additional scholarship recipients were added during the fiscal year.

## Mitsui-Endowed Lecture Programs

### 1. China: Peking University/Mitsui Innovation Forum

This program was established in March 2006 with the objectives of promoting economic and cultural exchange as well as business activities between Japan and China. It will cover the 10-year period through 2015, and the lectures of the Mitsui Innovation Forum held under the auspices of the program are open to students of the Peking University (including its EMBA, MBA, and EDP courses), graduates of these courses, and corporate personnel. During the fiscal year ended March 31, 2009, six of these lectures were held and a number of corporate CEOs, including Teisuke Kitayama, president of the Sumitomo Mitsui Financial Group, and well-established Japanese scholars were invited as guest speakers.

### 2. Russia: Saint Petersburg State University

Since 2007, Mitsui has endowed this program of lectures featuring leading Japanese figures as guest speakers, mainly for students of the Department of East Asian Studies at Saint Petersburg State University. In addition to lectures held during the year, as part of these activities, we provide short-term Japan study programs and contribute Japan-related books and DVDs. Our hope is that these activities will deepen the understanding of Japanese society and culture and promote the development of friendly ties and exchange between Russia and Japan.

## Activities with Participation of Mitsui Personnel

In parallel with the promotion of activities that contribute to society, Mitsui expects that its management and staff will interface with and develop ties with the community through volunteer activities and, therefore, encourages and supports a wide range of volunteer programs. To provide such support, in November 2005, Mitsui introduced a system to provide volunteer leave for participation in community activities and has put in place systems to facilitate these activities. A cumulative total of 37 employees took volunteer leave amounting to 29.5 days. In addition, Mitsui plans, promotes, and introduces such activities in which its management and staff can act as volunteers.

### 1. The "Let's Try It" Matching Program

Starting from the fiscal year that ended March 31, 2009, Mitsui began to offer a matching program linked to the total number of participants that provides ¥1,000 per person for its employees in headquarters and domestic offices that participate in volunteer activities. Through the end of the fiscal year, a cumulative total of 372 employees had participated in volunteer activities, and, based

on the results of an employee vote, contributions were provided to three organizations.

### 2. Launch of the Table For Two Program

In August 2008, Mitsui began the Table For Two (TFT) Program at the company cafeteria of its head office in Tokyo, providing employees with an easily accessible social contribution option. This program is implemented by an NPO corporation, TABLE FOR TWO International.

The TFT program aims to address the grave imbalance between starvation and malnutrition in developing countries and excessive calorie intake in developed countries, and is based on the concept that one person's meal can bring health to two people. For every low-calorie, nutritionally balanced TFT-developed meal that employees order at the company cafeteria, ¥20, the cost of an elementary school canteen meal in a developing country, is donated to the NPO TABLE FOR TWO. We also have instituted a "matching gift" system, whereby Mitsui contributes a further donation to ensure that two school canteen meals are made available in a

developing country. During the fiscal year ended March 31, 2009, a cumulative total of 3,704 persons participated in this program, and about 7,000 meals were made available in schools in Uganda.

### 3. New Zealand: Participation in Nature Recovery Afforestation Project

At Mitsui & Co. (New Zealand), employees as well as their families and friends have been participating in a Volunteer Planting Day since 2007. The objective of this project is to help recover the forestland regions on Motutapu Island, which lies off the

northeast coast of Auckland. These volunteer activities are being conducted in the support of a major project that a private group, Motutapu Restoration Trust, began 15 years ago and plans to continue for 50 years. The objective of the project is to restore the forestland on Motutapu Island, which was destroyed by the ash fallout from the eruption of a volcano on neighboring Rangitoto Island about 600 years ago. During the fiscal year ended March 31, 2009, a total of 84 persons participated in these activities, including 14 from Mitsui, and about 2,450 seedlings were planted on the slopes of the island in May 2008.

## Mitsui & Co., Ltd. Environment Fund

In July 2005, Mitsui established the Mitsui & Co., Ltd. Environment Fund internally with the aim of supporting internal and external activities to contribute to solving global environmental problems. In addition to financial resources provided by the Company, the fund accepts contributions from executives, employees, and retirees.

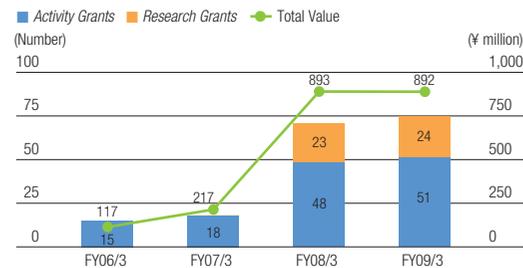
The fund offers an *Activity Grant* program, which provides support for activities that contribute to the environment, as well as a *Research Grant* program to make grants available for research related to the environment. Grants provided under these programs go to support a wide range of environment-related activities and research in Japan and overseas. In addition, Mitsui employees and their families participate in the activities of organizations receiving grants, and the fund implements programs to promote environmental awareness of employees.

During the fiscal year ended March 31, 2009, a total of 75 grants were provided with a total value of ¥892 million, approximately the same as in the previous fiscal year. (Please refer to Graph 1.) As a result, since its establishment, through March 2009, the fund had made a total of 179 grants with a total value of ¥2,118 million.

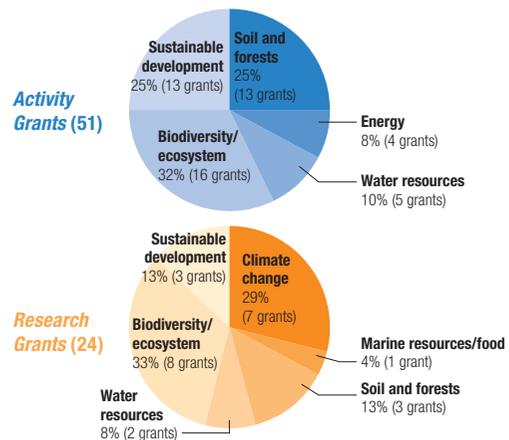
As the accompanying breakdown (in Graph 2) shows, a relatively large number of *Activity Grants* were made available for “biodiversity/ecosystem preservation,” “soil and forests preservation,” and “sustainable development.” Among *Research Grants*, the relatively large number of donations went to support activities related to “biodiversity/ecosystem preservation” and “climate change.” The breakdown of *Activity Grant* and *Research Grant* projects by region (in Graph 3) shows that Japan accounted for the majority of *Activity Grants*, receiving 34 grants, followed by Asia Pacific, with 11 grants. Most *Research Grants* were made available in Japan, where 11 grants were provided, followed by Asia Pacific and International, in that order. The principal projects receiving grants during the fiscal year ended March 31, 2009, are listed in the table on page 42. Further information may be found on Mitsui’s website:

► <http://www.mitsui.co.jp/csr/fund/>

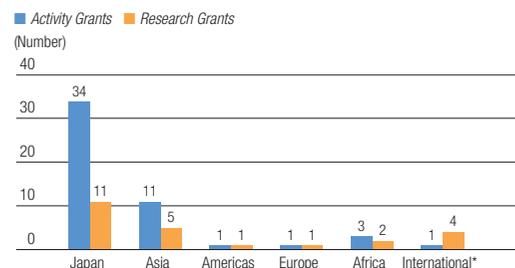
**Graph 1 Trends in Grants Provided and Their Total Value**



**Graph 2 Grants Provided by Field of Activity and Research (During the Fiscal Year Ended March 31, 2009)**



**Graph 3 Number of Activity and Research Grants Provided by Region (During the Fiscal Year Ended March 31, 2009)**



\* "International" grants are those received in more than one region.

**Examples of Grant Projects (Fiscal year ended March 31, 2009)**

Field	Type of Grant	Recipients (Location)	Project Description
Climate Change	Research Grants	United Nations University (Tokyo)	Research on adaptation to climate change in Thailand, Vietnam, Sri Lanka, and the Philippines
		Sophia University (Tokyo)	Research on the impact of Japan's emission trading on international competitiveness and international negotiations related to global warming
		Waseda University (Tokyo)	Research on the warming of the Seto Inland Sea through analysis of archaeobacteria, which are an indicator of global warming
		Tokyo University	Research on environmental diplomacy of the European Union
Marine Resources and Foodstuffs	Research Grant	Hokkaido University	Research on recovery of marine resources based on the study of migratory fish, such as salmon
Soil and Forests	Activity Grants	Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA) (Turkey)	Generating income in agriculture and other industries through preservation of soil and underground water in marginal arid regions
		Raks Thai Foundation (Thailand)	Activities related to preservation of forestland in northern Thailand and spreading the practice of organic agriculture
		Forest'n People Project Organization (NPO) (Tokyo)	Forestation activities in the area of the former Ashio and Matsuo copper mines
		Yokohama Art Project (NPO) (Kanagawa)	Greening activities in Kenya making use of seeds embedded in clay balls
	Research Grants	Kobe University	Creating agro-forestry through organic agriculture in the sub-Sahara regions of Africa
		Hiroshima University	Research to measure the impact on a CO <sub>2</sub> basis of the disappearance of tropical forests in the southern Amazon region
Energy	Activity Grants	Biomass Industrial Society Network (NPO) (Chiba)	Consideration of the sustainable use of biomass fuels
		Tsukuba University (Ibaraki)	Development of teaching materials for teacher training in energy environmental education
Water Resources	Activity Grants	Terra People Association (NPO) (Saga)	Preservation of the water environment and ecosystem in the Inlay Lake region of Myanmar
		People for Rainwater (NPO) (Tokyo)	Securing safe water resources through the use of rainwater collection tanks in Bangladesh
	Research Grants	Kyoto University	Research on various functions of the forest/water cycle, including regulation of the volume of water flow
		Chubu University (Aichi)	Research on assessment of carcinogenicity and methods for purification of drinking water polluted by heavy metals
Biodiversity	Activity Grants	Yamashina Institute for Ornithology (Incorporated Foundation) (Chiba)	Relocation and breeding of albatross chicks on Mukojima Island in the Ogasawara (Bonin) Islands
		Everlasting Nature of Asia (NPO) (Kanagawa)	Preservation of the hawksbill turtles, which are threatened by extinction, in Indonesia
		Cheerleaders for Japanese Crested Ibis (NPO) (Niigata)	Activities to recreate village and mountain areas (Satoyama) on Sado Island where the Japanese crested ibis can live in a natural state
		Funindes-USB (Venezuela)	Research on the impact of oil exploration activities on coral reefs in Venezuela's Los Roques National Park
	Research Grants	National Institute for Environmental Studies (Ibaraki)	Assessment of dam location scenarios aimed at preserving biodiversity among freshwater fish in the Mekong River
		Ryukyu University (Okinawa)	Quantification of the impact of climate change and alien species on the ecosystem on Yanaguni Island in Okinawa
		Kitami Institute of Technology (Hokkaido)	Assessment of the impact of climate change on the water environment and ecosystem in the Shiretoko region
		Toyama Prefecture Environmental Science Research Center	Research on biomonitoring methods making use of clams to assess marine pollution
Sustainable Development	Activity Grants	Japan Association of Environment and Society for the 21st Century (NPO) (Tokyo)	Preparation of a road map for making the green civilization society a reality to be created by NPOs, corporations, and members of academia
		Coalition for Legislation to Support Citizens' Organization (NPO) (Tokyo)	Development of program and implementation of workshops to heighten advocacy capabilities of environment-related NPOs
		Japan Automotive Recyclers Association (Tokyo)	Research on disposal of automobiles in Fiji
	Research Grants	Nagoya University	Research on regional organizational systems for sustainable development of agriculture in Africa
		Toyohashi University of Technology (Aichi)	Research on sustainable material cycle systems in Mongolian villages



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